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EUROPE'S BUSINESS NEWSPAPER

FINANCIAL TIMES

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Weekend January 6/January 7 1990

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WOLSELEY

WORLD NEWS

Schools will have duty to issue reports

Schools will have a legal duty to produce progress reports on all pupils, Education Secretary John MacGregor announced yesterday.

The plan, to be phased in from next year, will entitle parents to details of their children's progress in the 10 statutory subjects of the national curriculum at four benchmark ages - seven, 11, 14 and 16.

Some educationalists immediately criticised the scheme for not requiring reports on children's wider, non-academic abilities. Page 22

Bulgarians strike
A general strike in Bulgaria brought several towns to a standstill. It was staged in protest against government moves to restore religious and other civil rights to the country's 1.5m ethnic Turks. Page 2

Chile dead on forces
Chile's newly-elected civilians have reached agreement with the country's military rulers on the role of the armed forces after the return to democracy, planned for March. Page 2

Honecker 'has cancer'
Ousted East German leader Erich Honecker, under investigation for alleged abuse of office, has kidney cancer, the official ADN news agency said. No decision would be made about jailing Mr Honecker until he had received treatment, it added.

Feastive miners punished
Fourteen South Wales miners have been demoted for drinking alcohol at a Christmas party two miles underground. Safety checks at Deep Navigation pit, Mid Glamorgan, unearthed a festive table with the remains of chicken, mince pies and cider. Page 5

Rescue deal for Gedser
Poland's Solidarity-led Government has reversed the closure order imposed by its communist predecessor on the Gedser shipyard. The plan is to turn the state-owned Lenin yard into a joint stock company, offering shares to employees and foreign investors. Page 2

How over boat people
Britain denied Vietnamese allegations that the UK was holding back promised payments for resettling boat people returning from Hong Kong to Vietnam. The row came amid signs that Washington may soften its stance on the issue of enforced repatriation. Page 3

Death for pornography
A court in Fujian province, southern China, has sentenced a man to death for setting up a company which made calendars and playing cards depicting naked women. Seven other defendants received jail terms of between four and 10 years.

Tube safety recruits
London Underground is recruiting 300 temporary staff so it can meet stringent safety standards imposed in the wake of the 1987 King's Cross station fire in which 31 people were killed. Page 5

Economy chief sacked
Romania's National Salvation Front rulers sacked Deputy Economics Minister Constantine Bostina for being too closely linked with the Communist dictatorship of Nicolae Ceausescu. Bostina, appointed only last week, is the first post-revolution minister to lose his job.

Avalanche warning
Police issued an avalanche warning for Scotland's Cairngorm mountains after climbers caught in two separate snowfalls recovered in hospital.

Truffle kerfuffle
Arrests are expected in France after the discovery of a lucrative truffle fraud. A ring masterminded by foie gras makers has been buying white Italian truffles, staining them with walnut dye and passing them off as the far more expensive black sort. Page 8

MARKETS

STERLING
New York lunchtime: \$1.6255
London: \$1.624 (1.62)
DM2.7255 (2.725)
FFr 5.4225 (5.365)
SF 1.5215 (2.5125)
Y25.50 (23.50)
£ index 87.0 (88.7)
GOLD
New York: Comex Feb: \$208.5 (400.8)
London: \$406.75 (365.75)
N SEA OIL (Argus)
Brent 15-day Feb: \$21.95 (+0.70)

Civil price changes yesterday: Page 22

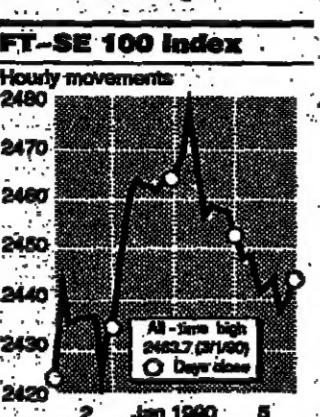
BUSINESS SUMMARY

Bond in talks on injection of capital

Alan Bond, the Australian businessman fighting for financial survival, appeared to have found a potential bidder for control of Bond Corporation, his brewing, media and property group.

The company confirmed that Mr Bond had held discussions with an unnamed group about an injection of capital. Barrister Weatherby Investments, a US energy and mining company, said it was in discussions about buying a majority stake in Bond Corporation. Page 22

UK EQUITIES recent peaks received further as London reacted to the weaker trend in other markets and to modest profit-taking on the domestic front. The FT-SE Index fell 7.1 to 2,444.5, nearly 20 below the all-time high reached earlier in the week but still 21.8 up over the week. Page 15



Mikhail Gorbachev: choice reflects stress on economy

Pro-market adviser for Gorbachev

By Quentin Peel in MOSCOW

MR MIKHAIL GORBACHEV, the Soviet President, has appointed a radical pro-market economist as his personal economic adviser, in a crucial indication of his continued commitment to reform.

The adviser is Professor Nikolai Petrakov, the leading Soviet economic expert on price reform, a strong proponent of the self-financing and independent management of state enterprises, and most recently a vociferous advocate of the introduction of a dual currency system.

He will be the first ever professional economist in the inner cabinet of advisers to the Soviet leader, according to fellow economists in Moscow, alongside his key political and foreign policy aides.

The appointment, although not officially announced, has been widely welcomed by reformers as an indication both

SOVIET officials yesterday said to play down reports that Mr Mikhail Gorbachev had postponed meetings with foreign politicians in view of domestic political pressures, writes Quentin Peel.

A spokesman for Mr Kin-

non said on Thursday his

visit to Moscow this month

had been cancelled because of

"political events in the Soviet Union" requiring Gorbachev's "personal attention and participation."

Mr Gennady Gerashov, the Soviet Foreign Ministry spokesman, said the cancellation of the visit was "simply a sign of a very tight schedule,

so that of course because there

are so many things to do."

of Mr Gorbachev's realisation of the crucial importance of the economy to the success or failure of the whole reform process, and of his continued commitment to radical measures.

In recent months, supporters of

continued rapid progress

towards a market economy, devolution of decision-making, and genuine price reform have been fighting a rearguard

action against a popular and conservative backlash, because of gathering inflation combined with growing shortages in the shops.

Prof Petrakov is currently

deputy director of the Central

Economic-Mathematical Insti-

tute, and also deputy chairman of the Planning and Budget Committee of the Supreme Soviet.

His reputation rests on the fact that he was an advocate of radical economic reform long before Mr Gorbachev's entry to the Kremlin. His reform ideas include factory-level decision making, and the scrapping of central controls on prices.

Last year he criticised the state prices committee, Goskomts, saying that it had drawn up price reforms based simply on the imposition of new more realistic prices.

We understood by price reform a change in the very mechanism of price forma-

Continued on Page 22

Moscow plays down Gorbachev crisis report, Page 2

Weekend FT



THE THIRD AGE

This special issue of the Weekend FT investigates the challenges and opportunities of the period in our lives now described as the Third Age... the years of our full maturity. Christian Tyler sets the scene

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Finance
Financial planning for the Third Age
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Portfolio Man
Charles Handy focuses on the kind of people who will make up the winners – and losers – of a new era
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Diversions
Motoring and Gardening for Third Agers
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How To Spend It
The body (and soul) beautiful
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Travel
Life after cruising
Page XIV

Sport
Happy veterans
Page XVIII

By Diane Summers, Phillip Stephens and Jimmy Burns

THE AMBULANCE dispute moved into a more dangerous phase yesterday as ambulance crews in many regions prepared to step up industrial action while doctors warn that patient care was deteriorating.

Consultants at leading hospitals urged the two sides in the dispute to reach a compromise and end patients' suffering.

However Mr Kenneth Clarke, the Health Secretary, again underlined his determination not to cede to pay demands. Mr Clarke, who faces a full-scale Commons debate on the issue next week, brushed off suggestions that the political damage inflicted on the Government by the 16-week-old dispute would force it to back down.

Ambulance unions are instructing suspended staff and those on reduced pay not to accept emergency calls from senior officers from midnight next Wednesday. The public will be encouraged to put calls through directly, bypassing the 999 system.

This intensification of action will bring most of the rest of the country into line with London and the West Midlands. At least half of the country's ambulance services are likely to have to call on troops and police to maintain accident and emergency cover.

The prolonged use of police force to staff ambulances is worrying officers. Mr Alan Eastwood, chairman of the Police Federation, said last night: "There is a need for a speedy end to this damaging dispute so that police officers can be returned to their normal functions."

Mr Eastwood's statement reflects growing concern among police officers that the

TUC backing for stoppage

THE TRADES UNION Congress yesterday backed union calls for a nationwide 15-minute stoppage at the end of the month.

Mr Norman Willis, TUC general secretary, pictured right, said he hoped public pressure would help ambulance workers achieve a negotiated settlement.

The TUC very warmly welcomes the initiative of the ambulance unions in calling for this display of public support, he said, following a meeting of the TUC's "inner cabinet", its finance and general purposes committee.

The TUC urged employers to allow workers time off to show their support and emphasised it was not calling for mass industrial action.

The ambulance unions have said they are not advocating what would amount to illegal secondary action.

Mr Clarke also rejected suggestions that the dispute had done irreparable damage to his own hopes of further advancement within the Government.

At St Bartholomew's Hospital, London, yesterday, Mr David Skinner, a consultant, echoed the views of many other consultants and surgeons. "The general feeling is very strong among us. The two sides between them must sort it out before more patients suffer."

Mr Skinner said the pattern at St Bartholomew's was similar to that of another London hospital, St Thomas's, where Mr David Williams, the president of the Casualty Surgeons Association, has stated the number of deaths has risen by 30 per cent since the dispute began 16 weeks ago.

The Newcastle Royal Victoria Hospital yesterday reported an increase in the number of patients dying in casualty or dead on arrival in December last year compared with the same month in 1988.

Employment, Page 5, Man in the News, Page 6

to that of another London hospital, St Thomas's, where Mr David Williams, the president of the Casualty Surgeons Association, has stated the number of deaths has risen by 30 per cent since the dispute began 16 weeks ago.

Mr Nigel Richardson, economist at Warburg Securities, said: "We have seen the underlying rate of inflation move up to 5.1 per cent in November. This was bad news for inflation and a disappointment for the Government."

Both companies have increased their diesel fuel prices by 2.7p a gallon to 168.2p for BP and a maximum of 168.8p for Esso. BP staff fear job losses, Page 4

Italian lira falls on EMS speculation

By Peter Norman, Economics Correspondent

THE Italian lira fell to a record low against the D-Mark yesterday amid heightened speculation about a possible realignment of currencies in the European Monetary System.

Despite sales of D-Marks by the Bank of Italy, foreign exchange markets suspected that a devaluation of the lira could be linked with plans to narrow the EMS fluctuation margins for the Italian currency, from 6 per cent to 2.25 per cent margins used by most member states.

Reports from Brussels last night suggested that European Community Commission officials would meet today to approve a change in the EMS, which would probably involve a lira devaluation.

In other trading, the D-Mark fluctuated in response to conflicting influences.

Optimism about the benefits for the West German economy of the liberalisation of eastern Europe was offset by concern at the reports that ethnic troubles in the Soviet Union had forced President Gorbachev to cancel meetings with foreign leaders. Lex, Page 22

Plea for aid as snow fails to fall

By William Dawkins in Paris

FRENCH ski-lift owners yesterday called on the Government to declare parts of the Alps a natural disaster area because of the third consecutive year of unusually low snowfalls.

The SNTF, the national association of ski-lift companies, has written to the Tourism, Transport and Budget Ministers asking for the dispensation, which would open the way for them to claim from their insurance companies for loss of earnings.

Its letter is the latest sign of the poor state of the ski industry, some members of which were warning last season that they risked going out of business if they had to face another year of poor snow.

"The total absence of receipts, added to the difficulties of the previous year, and various arrangements to delay certain large settlements has already forced some businesses into bankruptcy," says the association's letter.

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Panama

Picking up the pieces

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Austria 50; Bahrain Dm1.70; Belgium BF45; Canada C\$1.00; Cyprus CEDRIC; Denmark DKR12.50; Egypt EC12.50; Finland Mark 100; France FF7.50; Germany DM42.50; Greece DR10; Hong Kong HK\$12; Ireland ID10.00; Israel NIS22; Italy L100; Japan Yen100; Luxembourg L100; Mexico Pesos 100; New Zealand NZ\$1.20; Norway NOK100; Portugal Esc100; Saudi Arabia Rf47.50; Singapore S\$14.10; Spain Pta100; Sri Lanka Rupee 100; Sweden Skr12.00; Switzerland Frp2.50; Taiwan NT\$100; Turkey L1400; UAE Dh1.00; USA \$1.00.

Q:

WHERE CAN YOU TRADE FUTURES AND OPTIONS ON AN EQUAL BASIS WITH THE INSTITUTIONS?

A:

Moscow plays down Gorbachev crisis reports

By Quentin Peel in Moscow

SOVIET officials yesterday sought to play down reports that Mr Mikhail Gorbachev had postponed meetings with foreign politicians this month because of domestic political pressures.

Western embassies reported no known cases of visits being cancelled, apart from that by Mr Neil Kinnock, the British Labour Party leader.

A spokesman for Mr Kinnock said on Thursday his visit to Moscow this month had been cancelled because of "political events in the Soviet Union" requiring Gorbachev's "personal attention and participation".

Mr Gennady Gerasimov, the Soviet Foreign Ministry spokesman, said the cancellation of the Kinnock visit was "simply a sign of a very tight schedule, a shortage of time because there are so many things to do".

"It is not the first time, unfortunately, that we cancel certain meetings because there is no time for them."

Mr Gorbachev is still expected to deliver the opening address at an international convention on the environment and development, in Moscow on January 15, which is being attended by international political and religious figures.

They include Mr Javier Perez de Cuellar, the UN Secretary-General, Mrs Gro Harlem Brundtland, former Norwegian Prime Minister, and several US Senators and church leaders.

However, the Soviet leader's domestic political agenda is

overwhelming and he is facing a serious political backlash from conservative forces in his own party.

Mr Gorbachev's agenda includes a crucial three-day trip to Lithuania next week, in an attempt to delay or defuse the breakaway of the Lithuanian Communist Party from the ruling Soviet Communist Party.

He then faces two plenary meetings of the Communist Party central committee: one is to resolve the Lithuanian question, which the Soviet leader has identified as fundamental to the future unity of the country. The other is to agree on the preparation and agenda for this year's Communist Party Congress, brought forward by a year to restructure the party.

The foreign policy question at the top of the Gorbachev agenda is clearly Eastern Europe, and any requested visit by one of the new East European leaders would seem certain to be granted.

He also has to deal with a potentially explosive rise in nationalism around the southern republic of Azerbaijan.

The Communist Party leader in the Azerbaijani enclave of Nakhichevan, Mr Gaidar Isayev, was forced to retire on Wednesday after mass protests in his area led to the border fence with Iran and control towers being torn down by demonstrators.

There were new demonstrations in the area on Thursday and yesterday as party officials from Moscow and Baku negotiated with nationalist leaders.

Bulgarians strike over Turks plan

By John Lloyd

A GENERAL strike by Bulgarians opposed to religious freedom for ethnic Turks closed shops and factories and brought transport to a standstill in several towns yesterday, Reuter reports from Sofia.

Sofia radio said all shops

and factories were closed in the southern town of Kurdzhali, where protests began five days ago. Only milk and bread factories and hospitals remained open.

The strike began as a token two-hour stoppage. It spread to the nearby town of Hasskovo, which, like Kurdzhali, has a large Turkish population, as well as Stara Zagora and Dezzia, site of the country's biggest chemical plant.

Strikes were also reported in several towns in the northeast including Targoviste, Sumen and the Black Sea resort of Varna.

Thousands of Bulgarian protesters from the country's two predominantly Turkish-populated regions massed in Sofia on Thursday, threatening a nationwide general strike unless the Communist leadership reversed a decision to restore civil rights to the country's 1.5m ethnic Turks.

Under former leader Todor Zhivkov, overthrown in November after 35 years in power, Turks were forced to assume Bulgarian names and banned from practising their religion.

The new Communist leadership under Mr Petar Mladenov, worried at the harm to Bulgaria's image abroad, decided last month to restore full rights to the ethnic Turks.

The decision prompted protests by Bulgarian communities in predominantly Turkish provinces who feared their culture would be wiped out by the Turks.

Two-day visit, reports Judy Dempsey from Bucharest.

Romania will seek more oil

and energy supplies from the Soviet Union, even though Moscow is pressed to meet the quotas from other East Euro-

This is a view shared by a Polish newspaper interview with Mr Vaclav Klaus, the Czechoslovak Finance Minister, on Thursday after a day of talks in Warsaw. At the same time, Mr Klaus has denied that he had called for the end of the grouping, as reported in the interview.

In Moscow, a senior Soviet foreign policy analyst said yesterday that he did not expect that the pact would break up, but admitted that it now contained some countries who wanted "much more integration with the world economy" than others.

Mr Alexander Nekipolov, deputy director of the Institute

for the Study of the World Socialist Systems, said that Tuesday's meeting in Sofia, the Bulgarian capital, would be important not for what was on the formal agenda but because "all the countries which will participate are interested in new approaches".

In the past year, all of the East European Comecon members have acquired new governments whose economic teams are generally of a free-market, even neo-liberal, bent.

However, Mr Nekipolov said that the root problem for all the East European countries is at present too low to allow the industry to find markets in the West, but that he fears a drop of some 30 per cent in Soviet orders.

Dollar falls as US jobs growth fails to meet forecasts

By Anthony Harris in Washington

US NON-FARM employment grew by only 140,000 in December, or 85,000 apart from the effect of strike settlements.

This was far below earlier averages and market forecasts, and the dollar fell on the news. Unemployment was unchanged at 5.3 per cent.

Employment growth was depressed by the continuing decline in manufacturing jobs, down by 25,000 (0.1 per cent), and a sharp fall in construction (down 38,000, or 0.7 per cent) from the previous month.

The manufacturing decline will accelerate this month, because lay-offs in the motor industry will reach a total of 142,000 during the current quarter. The construction figure probably reflects severe weather, but commercial projects are now slowing sharply.

At the same time there was news of a sharp recovery in factory orders in November, up 2.4 per cent after 1.1 per cent in the previous two months. As a result order books outside the aircraft industry rose for the third successive monthly decline.

Bush basks in praise for Panama operation

By Peter Riddell, US Editor, in Washington

PRESIDENT George Bush was yesterday basked in bipartisan praise of his handling of the US intervention in Panama amid fears by leaders of the Democratic Party that he may enjoy lasting political benefits.

Mr Lee Atwater, chairman of the Republican National Committee, described the surrender of General Manuel Noriega as "a political jackpot", while even liberal Democrat Senator Edward Kennedy welcomed what he called "a triumph for diplomacy and a triumph for justice".

Political analysts said the relatively clean-cut military operation would underpin Mr Bush's already favourable public opinion ratings by presenting him as decisive.

Mr Stuart Eizenstat, the Carter administration's domestic policy adviser, said the events could be of long-term

benefit to Mr Bush since "this could be formative in how people see him. When his presidency is tried by adversity, as it inevitably will be, his decline in popularity will not be as great as it would have been and his clout will be better."

Particularly striking have been the pictures in the past couple of days of Panamanian people kissing and cheering American soldiers.

Republican leaders are hoping that the success will, in words of Senate minority leader Robert Dole, put Mr Bush "in a very strong position when Congress reconvenes and tackles the 1981 budget and other controversial domestic issues".

Democratic leaders have stressed the need for an early withdrawal of US troops and for substantial aid to support Panama's recovery.

Chile military bows to civilian régime

By Barbara Durr in Santiago

CHILE'S newly elected civilian authorities have come to an agreement with the military rulers on the role of the armed forces after the return to democracy.

The civilian-military accord, the first of its kind since elections last month ended Chile's 16-year dictatorship, is seen as a fundamental step in a smooth transition back to democracy. The military was due to hand over power in March.

The original legislative proposal of the regime had been widely criticised by the incoming Government as creating a "state within a state". The military would have acquired substantial powers independent of the civilian executive on such key matters as budget and appointments.

In discussions held during the last 10 days, representatives of the president elect, Mr Patricio Aylwin, have submitted a series of amendments that aimed to place the military more in its traditional subordinate role to the civilian executive.

The amendments were accepted on Thursday by negotiators for General Augusto Pinochet, including the Minister of Interior, Mr Carlos Carreño, and the Minister of the Presidency, General Jorge Barrientos. The changes were also backed by Chile's most important conservative party, National Renovation, which had given its support to the government-elect's chief negotiator, Mr Edgardo Boeninger.

The most important of the changes is the elimination of the juntas of commanders-in-chief, which would have had extraordinary powers, including a direct relationship with the president, and be able to conduct independent relations with any other government authority, thus undermining the Minister of Defence.

This provision of the proposed legislation was especially sensitive, given that under the current constitution commanders-in-chief of the armed forces cannot be moved by civilian authorities for eight more years.

Other amendments are to be made to the provisions on budgets and appointments. The original proposal allowed the military unusual discretion over its own budget. The president will also lose the power to appoint under-secretaries for the three armed services and his own military aides.

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Bonn fears for East Berlin opposition's chances

By David Marsh in Bonn

THE West German Government is becoming worried about the East German Communist Party's increasingly ostentatious attempts to consolidate power in East Berlin ahead of general elections there on May 6.

A series of statements from the Federal Republic yesterday underlined how the mood of harmony built up during Chancellor Helmut Kohl's visit to Dresden a week before Christmas is in danger of breaking down.

Mr Norbert Schaefer, a Bonn Government spokesman, said Mr Kohl's administration

shared the anxiety of East German opposition groups that the non-Communist parties would not be given a fair chance in the elections.

Bonn fears that the opposition groups which formed an election alliance on Thursday are being prevented from organising themselves effectively during the election campaign.

Press and broadcasting is still in the hands of the Socialist Unity (Communist) Party (SED). The fragmented and inexperienced dissident groups lack telephones, meeting rooms, offices, printing

presses and even paper on which to circulate their electoral messages.

West German politicians sense that the SED will make considerable pre-election capital out of plans agreed with Mr Kohl in Dresden for "confidence-building links" with Bonn.

Meanwhile, the Bonn Economics Ministry yesterday issued a strong call for West German companies to be able to buy majority stakes in East German businesses.

In a speech yesterday, Mr Helmut Haussmann, the Economics Minister, said he was sceptical about the SED's

plans for economic restructuring.

The Confederation of German Industry (BDI), which has previously commented on East Germany's economic plans with studied moderation, is becoming worried that the 49 per cent rule will block off chances of full-scale industrial co-operation.

East Germany wants to reduce its consumption of highly polluting brown coal (lignite) by at least 30 per cent over the next 10 years, says Professor Karl-Hermann Steinberg, the deputy head of the Ministry for Heavy Industry.

He said use of gas and oil should be stepped up.

The country's nuclear establishment - which now has only one fully functioning power station, at Greifswald - is also pressing for an increased share for nuclear energy.

Opponents of unification, a

Mass comparison shopping is likely to be a campaign hurdle

They stare at shop windows crammed with video-recorders and colour televisions at enviable low prices - for earners of hard Deutschmarks.

Strolling speechless through supermarket aisles, the easterners marvel at the abundance of products from all corners of the world which, in East Germany, only a corrupt leadership was previously able to afford.

This mass exercise in comparison shopping - the East Germans with 100 Mark bills bearing Karl Marx's portrait and worth only DM14 - is likely to be an insurmountable campaign hurdle for the SED.

Virtually the whole population feels cheated of the results of its labour and appears unwilling to give even a totally renewed and democratic

SED another chance. German unity, long a dream of ordinary East Germans, has become a tangible political possibility for the first time in decades. The slogan "We are the people", chanted last October at pro-democracy demonstrations in Leipzig, has increasingly become "We are one people".

Opponents of unification, a

say they are social, free and democratic, and none has real leaders. New Forum, much like the Greens in West Germany, is allergic to strong leadership.

The SED, which is being aided politically and financially by the Social Democrats (SPD) in Bonn, is New Forum's largest partner in Alliance '90. It has a good chance of attracting voters in this traditionally social democratic part of Germany although it has far fewer members than New Forum's 200,000. Unlike New Forum, however, the SED favours unification with West Germany.

Democratic Awakening (DA), a Christian-oriented party, is much smaller than either New Forum or the SPD and has the support of Chancellor Helmut Kohl's Christian Democrats (CDU) in Bonn. Its left-wing opponents of unification left the party this week.

An opinion poll released this week by the Academy of Social Sciences in East Berlin claimed the SED would have gained 34 per cent of the votes if an election had been held late last month. But even the Communists doubt this.

A banner at recent demonstrations summed up the popular mood rejecting the reformability of the party: "I have only one life - no more experiments for another 40 years."

All the new political parties

and movements sound much the same to the population, he

says. They are social, free and democratic, and none has real leaders. New Forum, much like the Greens in West Germany, is seen as a political party.

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OVERSEAS NEWS

Iraq tries to revive stalled peace talks

By Victor Mallat, Middle East Correspondent

PRESIDENT Saddam Hussein of Iraq yesterday sought to revive deadlocked negotiations with Iran over a Gulf war peace settlement.

In a speech broadcast live to mark the country's Army Day, the Iraqi leader also threatened to retaliate against Israel if it attempted to attack Iraq's military installations. Iraq's long-range missile programme is causing increasing concern in Israel and the West.

President Saddam's peace plan calls for Iraqi and Iranian representatives to meet face-to-face in Baghdad and Tehran alternately, under United Nations auspices, in order to reach a common understanding on UN Security Council Resolution 598 within three months.

The resolution's acceptance by both countries led to a ceasefire in August 1988 after eight years of war, but the two sides differ on how it should be interpreted. UN shuttle diplomacy and five previous rounds of indirect talks conducted through UN mediators have failed to make progress.

President Saddam also suggested the immediate release of sick and wounded prisoners of war, and of all captives taken from the start of the war in 1980 until the end of 1982. In addition, he proposed that the Iran-Iraq border should be opened and air links restored to allow people to visit

Moslem shrines.

Iraq is particularly anxious to secure an exchange of prisoners because the continued incarceration of Iraqi soldiers is deeply resented by their relatives, who blame their own government, as well Iran's. There are an estimated 100,000 prisoners, 70,000 of them Iraqis held by the Iranians.

Iran, on the other hand, is watching with alarm as Iraq

develops its military industries, and Tehran sees the favourable balance of prisoners as one of its few negotiating cards. The Iranians are prepared to exchange all prisoners, but only if Iraqi forces withdraw from 1,000 sq km of occupied Iranian territory. They also want Iraq to be blamed for starting the war by invading Iran after the 1979 Islamic Revolution.

Other issues – most notably the status of the disputed Shatt al-Arab waterway on the border – are equally divisive, but neither country seems in the mood for a revival of hostilities. There was no immediate reaction to the new Iraqi proposal from Iran last night.

President Saddam's warning to Israel not to attack Iraq follows the launch last month of an Iraqi space rocket, which could carry a chemical or nuclear warhead to Israel and beyond if configured as a missile and equipped with an effective guidance system.

Hanoi and UK in row over boat people cash

By Robert Mautner, Diplomatic Correspondent

VIETNAM and Britain yesterday traded accusations over the financial conditions attached to the resettlement of boat people returned against their will from Hong Kong last month, amid signs that the US might be prepared to soften its opposition to forcible repatriation.

The Hanoi Government yesterday accused Britain of holding back promised payments to help resettle Vietnamese refugees, 51 of whom have been forcibly repatriated from Hong Kong so far. But British spokesmen in Hanoi and London denied the allegation, claiming that the money had already been paid into Vietnamese bank accounts in London.

The money was blocked in Vietnam's own national banking system, the British embassy in Hanoi said.

Under the deal made by the Vietnamese and British governments, aimed at clearing the camps in Hong Kong of the 57,000 boat people who went to the British colony in the hope of eventually being able to emigrate elsewhere, Britain agreed to pay \$620 for each returnee to help the Vietnamese authority in Vietnam.

Vietnam allows Saigon loyalists to emigrate

NEARLY 15 years after the end of the Vietnam war, the first South Vietnamese government loyalists imprisoned in "re-education" camps have been allowed to emigrate to the West, AP reports from Bangkok.

About 75 Vietnamese, some imprisoned for more than a decade because they served the US-backed government toppled by the communists in 1975, arrived yesterday on a flight from Ho Chi Minh City. They are the first of 2,000 who will leave Vietnam by April.

The US has resettled hundreds of thousands of Vietnamese since the war, but

does not yet settle its debts.

In return, Hanoi has undertaken not to persecute the returnees and to treat them in the same way as the 800 or so who have gone back home voluntarily. Two former British ministers yesterday left for Hanoi via Bangkok to monitor the conditions under which the returnees are being resettled.

Meanwhile, there have been signs of a softer stance from the US Administration. Though Washington can hardly be expected to drop its opposition to the principle of enforced repatriation, it recognises that the absence of any agreed alternative solutions is placing intolerable burdens on Hong Kong, which is expecting a new wave of boat people even when weather conditions improve in March.

In the circumstances, the US might be persuaded to agree to some mandatory repatriation, but only on condition that screening procedures to establish whether boat people qualify for refugee status are greatly improved and that a proper international system to monitor their resettlement to help the Vietnamese authority in Vietnam is put in place.

The US-led official list with \$60m from Taiwanese investors, followed by Malaysia (\$15m), the Philippines (\$6m) and Thailand (\$2m). Most of the investment went to petrochemicals, electronics, banking and trading.

The trade surplus last year rose 27.5 per cent to \$13.9bn from \$10.5bn in 1988, a fact that will follow a record trade surplus of \$18.7bn in 1989.

Taiwan's surplus with the US rose by 15.1 per cent to \$1.2bn in 1989, a fact that will cause some concern in Washington. By contrast, the official figure for 1988 was 15.3 per cent to \$3.3bn.

Foreign investment in Taiwan hit an all-time high in 1988, rising to \$2.4bn from \$1.5bn in 1987, according to the Investment Commission. Most investments were in chemicals, electronics, banking, insurance and other service sectors, including hotels, department

stores and supermarkets.

Japanese investors led with \$64m, followed by those from Europe (\$51m), the US (\$43m) and Hong Kong (\$24m).

Taiwan's investment abroad more than quadrupled in 1989 to \$931m, against \$219m in 1988, the previous high. But economists said Taiwan's actual investment abroad was at least five times higher than the official figure as many businessmen avoided official channels to escape taxation and disclosure of their business value.

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Greece prepares for Soviet migrants

By Kerin Hope in Athens

GREECE is hastily preparing to receive an unexpected influx of up to 100,000 immigrants from the Soviet Union, who belong to an ethnic minority of Greek origin known as the Pontians, in the next three years.

Their roots lie in the mountainous country bordering the southern coast of the Black Sea – "Pontos" in ancient Greek – but they mostly live now in the Soviet republics of Uzbekistan and Kazakhstan.

According to the Greek Foreign Ministry, there are some 500,000 Pontians in the Soviet Union, of whom at least 20 per cent are expected to take advantage of last year's lifting of restrictions on emigration and move to Greece.

More than 6,000 arrived in 1989.

Fears of ethnic violence or a renewed clampdown on emigration are triggering the exodus, according to the migrants, who come by train from Moscow and by ship from the Crimean ports. Their

bags include Soviet-made televisions, air-conditioners and pianos, since they are permitted to take only \$100 (\$25) in cash with them.

"People are queuing up by the thousands to sell up and leave. House prices collapsed in our town. Then it takes days of walking to get your things cleared through Soviet customs," says Mr Nikolaos Emmanouil, 38, a civil engineer who arrived in November from Kazakhstan with his wife, three children and baby grandson.

Last year's stream of arrivals surprised Greek authorities accustomed to a hundred Pontians turning up every year at the invitation of relatives already established in Greece. Private hospitality was stretched to the limit before the Government stepped in over the Christmas holidays offering hotel accommodation.

We're expecting anywhere between 10,000 and 25,000 Pontians to arrive in 1990. They're headed, but it will take time to settle them around the

Peking's lonely hearts seek love in a leafy park

Old fashioned virtues are still in demand in spite of a novel dating service, reports Peter Ellingsen

IN DARK suits and leather jackets, some with cameras slung casually over a shoulder, the lonely hearts of Peking gather in a leafy park just west of Tiananmen Square.

"Love Corner" as this section of the Working People's Cultural Palace is called on Fridays and Sundays is China's dating service. Hundreds turn up in the warmer weather to look for a partner. Under pine and cypress trees the mainly young singles eye each other shyly before making a "Chinese pass," an awkward stumble and a routine question:

"Is it not 'Do you come here often' though it could be, for many are regulars. As a 23-year-old nurse who had met "several" men at the park, none to her taste, explained, the typical line is even more prosaic. "They usually say something about the weather," she said. "we talk and if it's not working I say 'Sorry, we don't seem to match.'"

There are more than 200,000 singles between 25 and 35 in Peking, and many of them have failed to find a partner through the usual avenues of friends, work, relatives or matchmakers.

Marriage remains mandatory for the mainstream, and though the capital has its share of dance halls and discotheques, they're costly and not easy to reach, making a visit to "Love Park" a favoured alternative.

Miss He, an office worker, came here in desperation. At 27, she is practically over the hill by Chinese standards, and says she is under a lot of pressure to marry. "I have only myself to blame," she says, "I missed chances in the past."

She wears expensive, well-cut clothes, de rigueur high heels and a touch of eye make-up and talks of a "warm family life," but not with just anyone. Like many of her generation with an education, she wants a college graduate.

The problem is that most of the eligible university men don't come here, and even if they did, they would want someone much younger. In



A Chinese pass, an awkward stumble, a routine question: lovers meet in the grounds of the old summer palace in Peking

China, where youth last year of all years, meant taking chances, the old restrictions sadly still apply.

To the four cardinal wind-squares, five tenets of peaceful co-existence, six evils and the other myriad categories the regime lists, we may now add the Two Desperations.

Though missing from official reports, the desire to (1) escape and (2) find a partner need not be mutual. Students in big cities with indulgent parents can find places to be alone and seduce their way back to their segregated dormitories and dormitory life, like the other big C's, Confucianism and Communism, is once again a serious business.

In typical Chinese fashion there are ways to get round the restrictions. Students in big cities with indulgent parents can find places to be alone and seduce their way back to their segregated dormitories and dormitory life, like the other big C's, Confucianism and Communism, is once again a serious business.

With the Party's relaxation of Eastern European style liberalisation in favour of hardline Marxism, China's young are back in their segregated dormitories and dormitory life, like the other big C's, Confucianism and Communism, is once again a serious business.

But as the soaring divorce rate at the end of that chaos showed, the trend was an aberration. China's marriage law says you should marry for "compatibility, political attitude and character." These peculiarly Chinese rules are back in fashion.

There are exceptions, but the norm is for women to marry up (the social scale), for men to wed down for youth and beauty. Hence Miss He's dilemma.

Anywhere else she would be a spring chicken, but in China, despite the vigour and bravery of the student democracy movement, she is an old brolly. "I want my husband to be a college graduate," she says, but without an influential family (her parents are teachers) she is finding her age a barrier. Her plight is echoed by another 27-year-old educated woman who told a western researcher: "I never used

to

worry about (marriage), but my sister told me I had too many wrinkles. Women, especially unmarried women, fear these."

Neither woman appeared to be aware of feminism, nor the means educated western women have adopted to tackle similar sex role stereotyping overseas. Urban China may have shaken off political and arranged marriage, but it has yet to abandon equally feudal ideas about love.

Even though romantic love

has taken root among city

intellectuals with the popularity

of books like Zhang Jie's "Love Must Not Be Forgotten" and exposure to western films, university students, as Miss He's experience shows, still tend to embrace the standards mentioned in a recent People's Daily article: "age, height and education."

Quoting Peking University

researcher, the Communist Party

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UK NEWS

Trafalgar House to close two steel fabrication plants

By Nick Garnett

TWO STEEL fabrication plants in Scotland and Greater Manchester are being closed by Trafalgar House, the property, shipping and construction group, with the loss of 550 jobs.

The plants, at Cambuslang near Glasgow and at Trafford outside Manchester, are part of Redpath Dorman Long (RDL), the steel fabricating business which Trafalgar House bought from British Steel in 1982.

Of the total job losses, 309 are from the Glasgow plant and the rest from Trafford.

The Scottish TUC described the Glasgow closure as "a bolt from the blue". Mr Campbell Christie, the general secretary, said shop stewards planning to fight the closure would have its full support.

"The company says that this is part of their preparations for 1992. If this is so, it augurs badly for the rest of Scottish manufacturing industry," he said.

Trafalgar House said the plant closures were part of a rationalisation plan involving the concentration of fabrication work at Cleveland Bridge and Engineering, RDL's fabrication operation at Darlington, County Durham.

Cleveland Bridge, also purchased by Trafalgar House eight years ago, is a more mod-

ern plant than those in Scotland and Trafford.

The two plants to be closed would have required heavy investment, but the weak steel market had some effect on the decision, Trafalgar said.

RDL fabricates steel for construction. Demand for the product has fallen in the UK because of a contraction in the construction industry.

Trafalgar said this year would be "tough". It also wanted to improve its efficiency because it expected increased foreign competition in the 1990s.

The two plants, which will close over the next four months, together produced about 30,000 tonnes of steel last year, with 40,000 tonnes produced at Cleveland Bridge.

Trafalgar said that Cleveland, by adding more shifts, could fill the production capacity lost with the closures.

Although there were no immediate plans to bring extra shifts, the company said that "wherever possible" people would be transferred to Cleveland from the other two plants.

It said the RDL name would be retained. RDL also includes a number of other offshore fabrication and engineering busi-



Lloyds chief to stay on at bank

By David Lascalleas, Banking Editor

MR BRIAN PITMAN, the chief executive of Lloyds Bank, is to stay on at the bank beyond 1991, when he was due to retire.

The bank's board said yesterday it had asked Mr Pitman, pictured above, to stay beyond the normal retirement age of 60 to complete the current phase of the bank's restructuring.

The news was welcomed in the City, where Mr Pitman has been closely associated with Lloyds' drive for increased profitability and its diversification into a wider range of financial services, including its merger with Abbey Life.

Lloyds has also recently started restructuring its domestic and foreign operations, in a move aimed at cutting red tape and pulling the bank out of unprofitable businesses. A capital spending programme is planned to remodel branches and install a new computer system.

No fresh date has been set for Mr Pitman's retirement. Mr John Dawson, his assistant chief executive, said he would be retiring early from the bank's management to ease the planning of successors in the bank's top management.

Mr Dawson, who is 54, will remain a Lloyds director.

COI holds on to its Whitehall publicity role

By Raymond Snoddy

THE Central Office of Information, the Government's information arm, has held on to most of its work for government departments even though the departments have been free to go outside for most publicity services.

Mr Mike Devereux, director general of the COI, said yesterday in the organisation's annual report that "levels of business remained buoyant" even though departments had been "united" in the face of the COI.

Government departments, however, still do have to use the COI for advertising.

Mr Devereux said the COI's buying power and its knowledge of the media market place resulted in savings of more than £24m for its "customers" - the government departments.

For the fifth consecutive year, the COI recovered the full cost of its operations, as it is required to do.

Turnover at £141m was 3 per cent lower in real terms than in the previous year, mainly because of a 10 per cent drop in advertising revenue from £95.9m to £86.3m.

One of the factors affecting levels of advertising spending by individual departments is whether or not large privatisations are under way.

Department of Trade and Industry use of COI services increased by 165 per cent during the year, and Education and Science use rose by 57 per cent.

Use by the Department of Transport was down by 63 per cent.

Probe on Hillsborough chief

THE MOST senior police officer present at the Hillsborough football ground when 96 fans were crushed to death is to be investigated by the Police Complaints Authority, it was disclosed yesterday.

Mr Walter Jackson, who at the time was Assistant Chief Constable (Operations), was a guest at Hillsborough for the ill-fated game between Notting-

ham Forest and Liverpool at Sheffield on April 15.

Mr Trevor Hicks, the father of two teenage girls who died in the crush, has written to the South Yorkshire Police Authority to complain about Mr Jackson's actions. South Yorkshire Police Authority confirmed that the complaint had been referred to the Police Complaints Authority.

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High Low	Company	Price	Change	Div (d)	%	P/E
343 275	As. Brit. Ind. Ordinary	342nd	0	10.3	3.0	9.2
38 25	Armstrong & Rhodes	25	0	-	-	-
210 149	Bardon Group CSD	177nd	-1	4.3	2.4	17.2
125 120	Bardon Group CSD	140nd	+1	4.3	2.4	17.2
123 74	Bray Technologies	78	0	1.9	7.8	6.1
110 97	Bremilll Cam. Prod.	97	0	11.0	11.3	-
104 98	Bremilll 81% New C.C.R.P.	98	0	11.0	11.2	-
310 285	CCL Group Ordinary	308rd	0	14.7	4.8	3.8
176 170	CCL Group CSD, Cam. Prod.	170	-2	14.7	8.6	-
224 222	Clydebank	222	0	7.6	3.4	12.5
110 109	Carbo 7.5% Pfd (CSD)	110	0	10.2	9.4	-
7.5 1.7	Magnet Gp Non-Voting A Csd	1.75nd	0	-	-	-
5 1.7	Magnet Gp Non-Voting B Csd	0.75nd	0	-	-	-
130 138	Ials Group	120	0	8.0	6.7	5.9
145 145	Maliburn Group (CSD)	108	0	3.4	3.3	12.6
322 292	Maliburn Group (CSD)	292	0	5	5	-
158 133	Robert Jenkins	149nd	0	10.0	6.7	5.4
467 345	Sermotex	370	0	18.7	3.1	9.8
300 270	Torday & Carriles	299	0	9.3	3.1	10.4
117 100	Torday & Carriles Cam. Prod.	104	0	10.7	10.3	-
122 100	Unisys Computer Systems	100	0	2.7	3.0	8.6
160 160	Unisys Computer Systems	160	0	9.3	5.5	-
395 355	Veterinary Drug Co. PLC	355	0	22.8	4.2	9.4
370 305	W.S. West	305	0	16.2	5.3	23.4

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UK NEWS



Hoping for a better future: children at the Harry Roberts nursery school in the London borough of Tower Hamlets

Locked into a lifestyle under siege

Alan Pike finds deprivation and racial violence in Tower Hamlets

AN ASIAN father of five children told the staff of the Bethnal Green Rights Shop in east London how he could not cope on the invalid care allowance received for looking after his wife, who suffers from an acute psychiatric disorder.

So applied for an increase in the allowance. To his bewilderment, this provoked a decision to cut it. Now the advice workers at the Rights Shop, in the borough of Tower Hamlets, are helping him across the form-filling hurdles of appealing against the action.

It is a typical incident for the Rights Shop, where each week hundreds of callers bring problems involving social security benefit claims, housing and an array of other difficulties which contribute to everyday life for many people in this deprived, inner-city area of London.

The client's ethnic origin is also typical – almost all the people visiting the Rights Shop are Asian, the great majority Bangladeshi.

To an extent this reflects the ethnic make-up of Tower Hamlets, where Bangladeshis are the borough's largest ethnic minority group and comprise about one-third of the population. But it also reflects a fact of inner-city life which is reflected around Britain.

Members of ethnic minority communities are disproportionately likely to be suffering from high unemployment, poor housing, low incomes, health problems and other manifestations of deprivation which turn them into clients of advice centres and the social security system.

In Tower Hamlets, a shortage of teachers adds to the problems, but even this is not the worst of it. The area has gained an unenviable reputation for racial violence and other forms of harassment – this is again a national problem, but one which community leaders say is particularly rife in Tower Hamlets.

Recent Home Office evidence indicates that the vulnerability of the Asian community to racial attacks worsened between 1981 and 1987.

Mr Mohammed Haque, chairman of the Committee for Bangladeshi Rights in the UK, lives in Tower Hamlets and says families in many parts of the borough are having to "live in conditions of virtual siege after dark" because of fear of racially-motivated violence.

He says: "Europe has seen so many changes in the cause of freedom and democracy this year, yet here in London, within five miles of Parliament, young children have to be taken by bus 100 yards to school to protect them from racial harassment."

The whole Bangladeshi community is being intimidated by racial violence and harassment, and we cannot say Britain is a truly free society while the rights of a section of its population are being threatened and diminished in this way."

The Committee for Bangladeshi Rights was formed last year because of feelings in the Bangladeshi community that established civil liberty organisations were not giving sufficient attention to their concerns. It is campaigning to attract greater Parliamentary support.

Community leaders contrast this with what they see as the failure of the police to make any impression on halting the racial attacks.

The second largest ethnic minority group in Tower Hamlets is Afro-Caribbean.

Mr Makintari Samba, co-ordinator of the Tower Hamlets Afro-Caribbean Association, says: "There tends to be an attitude in the local authority and other official bodies that because the Afro-Caribbean community speaks English and has been around for quite a while it has no particular problems."

"In fact, there are problems ranging across housing, education, employment and welfare because of the failure to develop adequate policies to overcome disadvantage."

Employers, says Mr Samba, still apply negative racial stereotypes when considering members of ethnic minorities for employment, leading to disproportionate numbers of people

from these communities being unemployed or else working in jobs below their skill levels.

The huge London Docklands development, taking place in Tower Hamlets and surrounding boroughs, is seen locally more as a sign of this disadvantage than as a cause for hope. Without a strong programme of positive action, community leaders are convinced that Docklands will offer employment to people from other parts of London and the south-east but by-pass the local community.

Mr Samba says: "I do not want the only black people in Docklands to be those doing the security jobs with long hours and poor pay."

"There is an urgent need for a well-planned access scheme combining good quality training with commitments from employers, so that local people can share in the full range of job opportunities which the Docklands development will bring."

Such a programme might help lift Tower Hamlets and its neighbouring East London borough of Hackney from their positions at the top of the national league table of disadvantage measured in terms of factors such as levels of poor housing, unemployment and single-parent families.

The people reflected in these statistics are, to an increasing extent, members of ethnic minorities – the East London boroughs have some of the largest ethnic minority communities in the country – who while the rights of a section of its population are being threatened and diminished in this way."

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US investigators may press for details on Lockerbie

By Jimmy Burns

SENIOR US aviation investigators are travelling to London within the next three weeks to examine security arrangements at two British airports as part of a presidentially-backed inquiry into global airline safety in the wake of the Lockerbie disaster in which 270 people died.

It is likely to lead to renewed pressure on the UK Government to provide detailed information about British airport security and Lockerbie.

British ministers have said that the Transport Department has been limited in the information that can be made public by security considerations and the criminal investigation into the Lockerbie disaster.

However, officials close to the US Presidential Commission said this week: "We are looking at security processes in these airports to try and determine its efficiency – where is the soft spot which allowed something like Lockerbie to happen?"

The determination to press for detailed information from UK aviation security officials underlines the extent to which the lines of territorial responsibility have become blurred as individual governments and international air traffic control agencies take steps to ensure safety of their national airlines.

Last month the organisational and technological shortcomings of the world's civil aviation system were strongly

criticised in a paper published by the London-based Research Institute for the Study of Conflict and Terrorism.

The paper's author, Professor Paul Wilkinson, predicted this week that the visit of the US investigators could leave some UK officials with little option but to impart information which has so far been denied both to Parliament and the relatives of the Lockerbie disaster.

He said: "Even if there is an attempt at an official cover up, it won't do any good. People are going to want to talk... the Americans will be quite determined to look at everyone's role."

The Government is ultimately responsible for security at British airports. Security standards for security at airports were laid down by the Aviation Security Act 1982 and are implemented by the Transport Department.

The Labour Party has been demanding an independent inquiry into the Transport Department's handling of the warning about the bombing before the Lockerbie tragedy.

Labour believes that airlines and airports were given inadequate information about the terrorist threat and that insufficient steps were taken to tighten airport security.

Londonderry likely to gain 500 jobs

By Our Belfast Correspondent

LONDONDERRY, Northern Ireland's second city, is expected to gain 500 jobs through a new manufacturing operation.

Mr John Hume, leader of the nationalist Social Democratic Labour Party and MP for Foyle, said he was confident of a boost in employment in the first two months of the year.

He declined to elaborate on the project. However, it is thought to centre on the establishment of an industrial zone in the west of the city. The province's Industrial Development Board said it did not comment on speculation about possible inward investment.

The first sod was cut yesterday for a £7m cargo facility at Belfast International Airport.

OBITUARY**Mr Len Miller**

MR LEN MILLER, a former advertising manager of the Financial Times whose service with the newspaper spanned 45 years, has died at the age of 84.

Mr Miller, who was born in London, joined the Financial Times in 1924 as a clerk in the fledgling advertising section and later became an advertising representative.

During the Second World War he was mentioned in despatches for his service as an RAF flying officer with a unit intercepting German signals traffic in North Africa, Sicily, Italy, and subsequently Germany.

He rejoined the Financial Times after the war and in September 1960 became deputy advertising manager responsible for dealing with a large number of advertisers and agencies. A hard-working man who was committed to the FT, he was highly regarded within both the newspaper and advertising industries.

Mr Miller retired in January 1989. He leaves a son and daughter.

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EMPLOYMENT**Senior medical staff fear that standards are slipping away**

Jimmy Burns and John Authers report from hospital casualty units

FOR ABOUT fifteen seconds just before Christmas, the resuscitation room at London's St Bartholomew's hospital was plunged into a brief but potentially disastrous organisational nightmare.

Doctors and nurses found themselves temporarily out of position to carry out their tasks because an emergency patient picked up from the streets by an army medical stretcher team was carried into the room the wrong way round.

According to David Skinner, consultant at St Bartholomew's, the incident is illustrative of the kind of general lack of procedural knowledge which has made the Government's use of police and army personnel during the ambulance strike a potential hazard to patients.

Yesterday he contrasted the confusion with the speed and efficiency with which a striking ambulance crew member had voluntarily come to the aid of a 35-year-old man who had collapsed with a heart attack, reviving him with the use of a defibrillator.

Mr Skinner said: "There is a general lowering of standards to a point which is just not good enough. For us doctors, the dispute has been an eye opener. We had got used to the high standard provided by ambulance crews before the strike and had tended to take them for granted."

At St Bartholomew's, doctors are still in the process of compiling statistics on the deaths of patients that have occurred during the dispute.

Mr Skinner was adamant that the pattern at St Bartholomew's would be similar to that of another London hospital, St Thomas's, where, according to David Williams, the president of the Casualty Surgeons Association, the number of deaths has risen by 30 per cent since the dispute began.

At another London hospital, Charing Cross, Mr Hugh Millington, head of the largest accident and emergency department in the North West Thames region, has recorded 20



Police and army co-operate to take a casualty to London's St Thomas's Hospital

deaths either in his casualty department or on the way there since the police and army had intervened. This compares with 57 deaths in the same period last year.

Mr Millington, however, insists that the statistics in themselves do not provide an accurate picture of the impact that the dispute is having on patient care.

"What we are missing is the assessment a professional ambulance worker makes of the patient and which helps doctors and nurses manage properly," he said yesterday.

Often it was not just patients but their relatives and friends who were suffering because of the absence of a normal service, according to Mr Millington.

He gave as an example the shock suffered by a parent who had recently dialled 999 after she found her baby dead in its cot. The response had been delayed and had eventually come in the form of policemen who had restricted themselves to taking the body to the hospital.

Mr Millington said: "The par-

ent couldn't understand why an ambulance hadn't come and as a result was very distressed. She will always be left with the question: what if..."

In the regions, the Newcastle Royal Victoria Hospital yesterday reported an increase in the number of patients dying in casualty or dead on arrival in December 1989 compared with the same month in 1988. The December increase was from 15 deaths in 1988 to 22 in 1989.

Mr Asit Maitra, consultant in charge of accidents and emergencies, said: "Our department gives extended training to ambulance paramedics. We know they do a valuable service and I know they are valuable. We therefore feel, although we cannot prove it, that the absence of the pre-hospital care must be affecting patient care."

Both the Coventry and Warwickshire and the Birmingham Accident hospitals said they had no knowledge of an increase in patient deaths that could be made directly attributable to the dispute.

For the first time, however, controversy about who suffers by statements made by senior members of the medical profession appear to be challenging not just the credibility of the Government but the wisdom of both sides to compromise.

Mr Skinner appears to be echoing many others yesterday when he said: "The general feeling is very strong among us. We are not being political. The two sides between them must sort it out before more patients suffer."

Welsh miners demoted for drinking in pit

By Lisa Wood, Labour Staff

FOURTEEN Welsh miners have been demoted for drinking alcohol at a Christmas party two miles down a pit.

The ruling came at a disciplinary hearing yesterday after remains of the party were found during routine safety checks at Deep Navigation Colliery near Merthyr Tydfil, Mid Glamorgan, South Wales.

The checks revealed a laid-out festive table, with the remains of a chicken. Investigations by colliery managers subsequently found that sausages rolls and mince pies had been consumed and a flagon of cider drunk on the last shift before the holiday.

British Coal said the men had contravened the Mines and Quarry Act which forbids the consumption of alcohol underground.

All 14 men, including craftsmen and development workers, were demoted to the lowest grade in their categories.

The result of a strike ballot held by dancers employed by the Royal Opera House will be known today. Dancers earlier this week, by a show of hands, rejected an offer of 15 per cent to which was attached several conditions including productivity gains.

Negotiations between the dancers and the Royal Opera House, which faces a substantial deficit this year, have been going on since last August. They broke off before Christmas when an overtime ban was temporarily imposed by Equity, the performers' union.

By John Gapper, Labour Editor

THE Cabinet Office said yesterday that it was not prepared to alter details of a new code of conduct for civil servants in spite of protests from the union representing senior civil servants that it imposes unfair restrictions.

The Cabinet Office said it intended to promulgate the code, which the First Division Association senior civil servants' union says wrongly identifies the interests of the country and the Government, without further revisions.

It said Sir Robin Butler, head of the Civil Service, was prepared to meet leaders of civil service unions to discuss the new code drawn up in 1987 by Lord Armstrong, the former Cabinet Secretary, within a month.

The objections of FDA leaders to the revised rules – which will take the place of a memorandum of guidance drawn up in 1987 by Lord Armstrong, the former Cabinet Secretary – are to be discussed next week by the Coun-

which say that duties of confidentiality and loyalty to the Crown are "for practical purposes owed to the Government of the day" – must be in place when the 1989 Official Secrets Act is implemented.

The Home Office said it expected the Act, which was given Royal Assent last May and replaces Section 2 of the 1911 Official Secrets Act, to be implemented by Mr Douglas Hurd, Home Secretary, within a month.

The objections of FDA leaders to the revised rules – which will take the place of a memorandum of guidance drawn up in 1987 by Lord Armstrong, the former Cabinet Secretary – are to be discussed next week by the Coun-

Cabinet Office firm on code of conduct

By John Gapper, Labour Editor

THE Cabinet Office said yesterday that it was not prepared to alter details of a new code of conduct for civil servants in spite of protests from the union representing senior civil servants that it imposes unfair restrictions.

The study concludes that whether ports enter an era of industrial peace will depend on how employers manage their labour requirements.

Instead of the scheme following the abolition of the Dock Labour Scheme, it is unlikely to increase the amount of industrial conflict in business.

The study of the causes of strikes and industrial action in the former registered ports finds that the de-unionisation of employment in the docks failed to reduce strikes.

Instead, the study over 30 years up to 1985 links the rate of strike activity in former registered ports to the amount of surplus labour, the growth of dockers' earnings and the degree of mechanisation in individual ports.

The study's authors argue that any return to a de-regu-

lated system in the docks following the abolition of the Dock Labour Scheme would be unlikely to increase the amount of industrial conflict in business.

Ports formerly registered under the scheme have been reforming the working practices since dockers failed to match the number of dockers to fluctuations in business, a study has indicated.

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New Year euphoria

ALTHOUGH THE RALLY IN world stock markets has run out of steam in the past couple of days, there is still a degree of euphoria in the air. At the start of a new year and a new decade, a display of animal spirits is perfectly natural. Whether it is related to any improvement in the fundamental outlook is another matter.

The turn of the year coincided with a number of relatively bullish forecasts for the UK economy in 1990, lower inflation, lower interest rates, a reduced trade deficit and above all – no recession. Some months ago, the optimists were reduced to arguing that although 1990 might represent a chasm for the UK economy, the market could be trusted to look ahead to the sunny uplands of 1991. Now, say those same optimists, it is apparent that 1990 will be a mere valley after all.

This argument needs to be treated with care. First, it is quite true that if the market has correctly foreseen this year's trend in corporate earnings, equities have nothing to fear even from a recession. The White Queen in Through the Looking Glass, it may be recalled, screamed horribly because she was about to prick her finger, then reacted calmly to the event itself on the grounds that she had done her screaming already. Similarly, in the last true recession year of 1980 UK equities rose by 30 per cent.

It could thus be argued that equities have paid in advance for 1990 by going nowhere in the two-and-a-half years since mid-1985. But there is a snag to all this.

Excessive growth

The "sunny uplands" theory rests on the proposition that the UK corporate sector can scrape through with low or even zero earnings growth this year and then revert to fast growth in 1991. But the excessive growth of the UK economy in the late 1980s – excessive, that is, in terms of UK productive capacity – has led to a yawning balance of payments deficit and an inflation rate well above the OECD average.

Inevitably, this has to be paid for by a corresponding period of below-average growth. This could perhaps be achieved by stagnation over several years, or by a shorter and much sharper downturn. But the bullish case argues for a short period of mere stagnation, thus trying to have it both ways.

But even if little has changed in the domestic fundamentals, say the optimists, the wider outlook has been transformed by events in eastern Europe. Forget the single mar-

ket of 1982; the death of communism means that the whole of Europe will become the world's powerhouse, with unified Germany as its engine.

The flaws in this are almost too many to summarise. One of them was brought home to the markets only yesterday by rumours of cancelled foreign meetings by President Gorbachev. The astoundingly events of late last year have drawn attention from the central and most truly risky issue in the East: the break-up of the Soviet empire.

Dangerous assumption

Even in the sovereign states of eastern Europe, there is danger in assuming that political freedom automatically means prosperity. In purely economic terms, the risk is that eastern Europe may have it the wrong way round. Any citizen of those countries naive enough to assume that democracy means a BMW in every garage will find it hard to adjust to the likely realities of inflation, debt and sustained shortages.

This is not to say that the revolutions in the East risk being reversed: merely that in a worst case the result could look more like Latin America than south-east Asia.

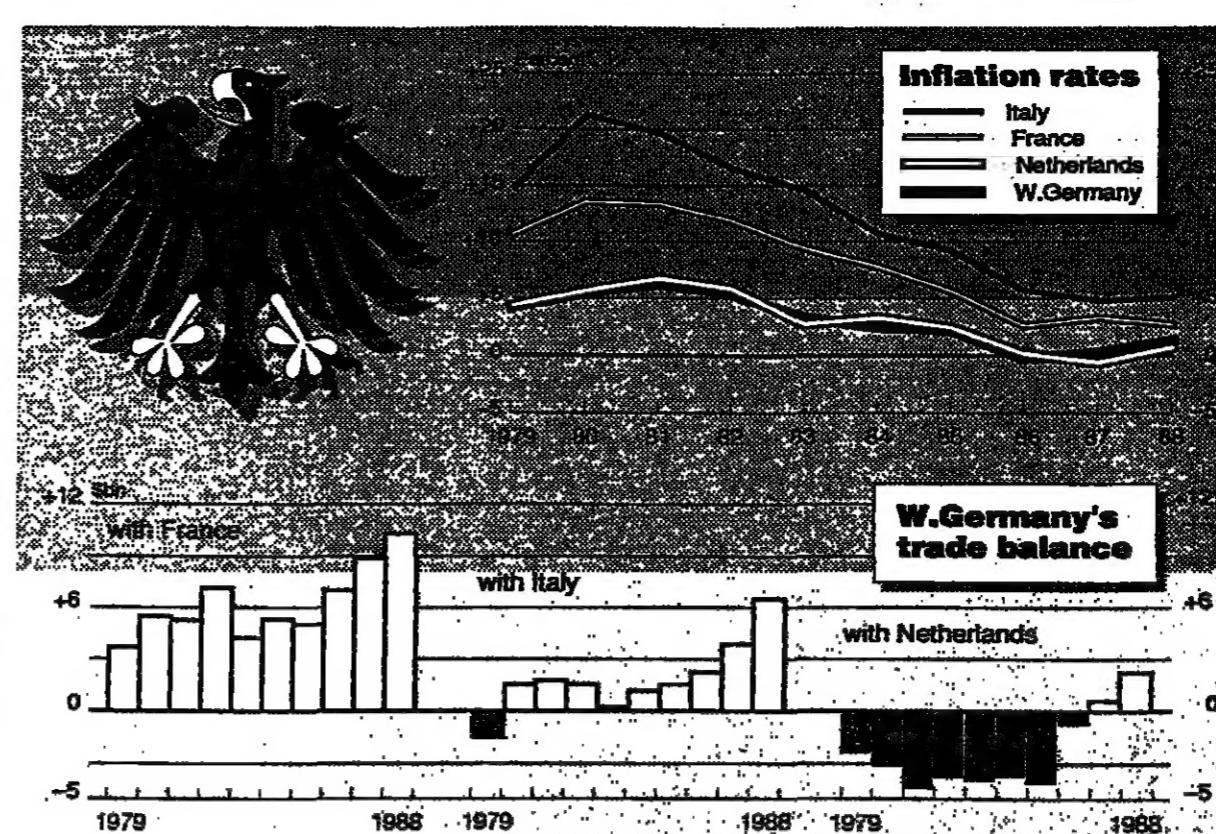
It would be wrong to deduce from this that events in the East are not momentous for the capitalist West. In the language of investors, they could at best have almost limitless upside, with no downside at all short of the cataclysmic. But tangible benefits for the UK economy – if any – would surely belong to the late 1990s at the earliest. The more immediate likelihood is of investment flows from West to East rather than business orders coming the other way.

For much of last year, the Italian lira moved within the 2.25 per cent narrow band against the D-Mark. Yesterday the lira was at record lows against the German currency, at around 4.2 per cent below its central rate, despite well publicised sales of D-Marks by the Bank of Italy.

Since the opening of the east German border, narrow band currencies such as the French franc, Belgian franc and Irish pound have also fallen sharply, joining the already weak Danish krone close to the bottom of their permitted ranges against the D-Mark.

Late in November, Mr Karl Otto Pohl, the West German Bundesbank president, described the narrow band currencies as a "hard core" of the EMS. Of this former elite group, only the Dutch guilder is keeping up with the German currency.

The accompanying charts show why the other EMS currencies are finding it difficult to keep up with the resurgent D-Mark. However, they also suggest that the pressure building up for a currency realignment is unlikely to be met by big changes in the EMS central rates. Currency stability in Europe has been bought



yesterday at the cost of a steady rise in West Germany's trade surpluses with the other EMS members of the band.

That Germany's trading partners accepted such a state of affairs testifies to the potent effect of full EMS membership in their battles against inflation. As the chart shows, other countries, by tying their currencies to the D-Mark, have achieved a convergence of inflation rates on West Germany's traditionally low level.

In this respect they have fared better than Britain, which has a higher inflation rate than the nations participating in the exchange rate mechanism and which has much of its £20bn annual current account deficit with the full EMS members. Britain's high inflation is one of the main factors keeping sterling out of the ERM.

But the battle against inflation on the Continent has not been finally won – indeed last year saw inflation rates rise in virtually all EC member states.

West Germany's partners are therefore extremely reluctant to consider any devaluation of their currencies

against the D-Mark because that would result in an increase in their imported goods prices.

France in particular has rejected any notion of devaluing the franc against the D-Mark. Mr Pierre Bergégo, the French finance minister, has now made a statement of the "franc fort" that any devaluation would probably lead to his resignation.

With France's inflation rate now around the West German level, French officials argue that France's large trade deficit with West Germany reflects structural factors rather than a lack of competitiveness.

Mr Bergégo's campaign against a franc devaluation has produced results. When France lifted the last of its exchange controls at the beginning of the year, there was no extra downward pressure on the franc. The West German government in Bonn now backs the French line. The Bundesbank in Frankfurt, which was campaigning strongly for a realignment late last year, now appears to accept that the franc would move upwards with the D-Mark if the German cur-

rency were to be revalued.

France's diplomatic success has reduced the chances of any significant movement in the parities of the other narrow band currencies.

But there is no doubt that the Bundesbank still wants a revaluation of the D-Mark. Its decision on Thursday to sell dollars was evidence of its desire for a strong currency.

Ever since the early 1970s, it has felt that fixed exchange rates restrict its capacity to combat inflation. With Europe's debtors moves to economic and monetary union, it is anxious to dispel the idea that the EMS currency values are already set in stone.

The result of Mr Bergégo's campaign has been to shift the Bundesbank's attention to the lira. And here a modest realignment appears increasingly likely.

The Italian authorities are in a weaker position than the French. Italy's inflation rate is appreciably higher than West Germany's. The country runs a huge budget deficit amounting to more than 10 per cent of gross national product. Until now this has been financed by thrifty Italian savers, whose scope for investment abroad has been restricted by exchange controls.

But Italy is due to eliminate its final exchange controls by July under the 1982 programme to create a barrier-free internal market in the European Community. It has also committed itself to adopting the 2.25 per cent narrow band.

Italian monetary officials hint that a move to the narrow band could involve an EMS realignment. The lira would be devalued modestly so that its new range of fluctuation would be at the bottom end of the existing 6 per cent band. A more radical approach is not required, they say, because the lira has already returned to the levels it occupied at the beginning of 1988.

Whether such a restructuring would be sufficient to assuage the Thursday jitters remains to be seen.

Italy's large budget deficit makes the planned removal of Italian exchange controls more of a challenge to the EMS than France's abolition of controls. It is also unclear how far the D-Mark will continue its advance.

But anything more than a mini-realignment would be a sign of a crisis that would seriously damage continental Europe's record as an oasis of monetary stability.

It could also take some of the steam out of the movement for Britain to join the EMS exchange rate mechanism.

Peter Norman

Changing moods for London shares

THIS WEEK'S rally on the London stock market was a perfect example of what theory says stock markets ought to do: look ahead. The market is always reacting to changes in the temperature and mood of the economy – now shivering, now warm, now overheated – and it displayed all its moods this week.

On Wednesday the FT-SE 100 Share Index reached an all-time high of 2,463.7. But as with all rallies, investors decided to take profits on Thursday and, on Friday the index declined a little further after weakness in the Little and West German markets.

Analysts and investors think the basis of the market's strength remains intact. They note a distinct shift in expectations away from recession accompanied by stubborn inflation towards sustained growth in an environment of declining interest rates. According to these people, the

market is looking past the short-term difficulties in Britain, and the expected poor earnings figures due in a month or two, to a period when sustainable growth resumes.

This optimistic view was underlined earlier this week by a Financial Times compilation of 22 economic forecasts. Growth of about 1.5 per cent this year was forecast to pick up to 2.5 per cent in 1991.

"There has been a growing realisation that 15 per cent base rates are probably a peak," says Mr Michael Hughes, economist and strategist at Barclays de Zoete Wedd.

Another factor is the large amount of cash in the hands of investment institutions. Official figures published yesterday show that in the

third quarter of last year, pension funds and insurance companies were, for the first time since 1974, net sellers of UK equities.

Mr Mark Brown, economist at UBS Phillips & Drew, says this was forced on the institutions by some very large cash bids, notably Hanson's bid for Consolidated Gold Fields. "As a result," he says, "cash rose by a staggering £1.5bn – only exceeded by the fourth quarter of 1987 after the stock market crash."

He estimates that institutional investors had about £26bn in cash and near-cash assets at the end of 1989. This year City analysts expect flows into the institutions of the order of £20bn to £25bn.

Mr Michael Payne, an investment

strategist at Legal and General notes that equity markets respond to them. Last year it was 1982 "but that is dated"; now it is eastern Europe, "with its potential for growth and, it is hoped, real non-inflationary growth." The Japanese identified this theme, and analysts attribute the 10 per cent rise in West German equity prices since Christmas as mainly due to their buying. But it is a fragile theme.

As Mr Hughes, of BZW, says: "The whole European scene, up until Thursday night was quite positive." Then it was reported that ethnic troubles in the Soviet Union had forced Mr Gorbachev to cancel meetings with foreign leaders, and stock prices were depressed in Japan, West Ger-

many and, to a lesser extent, the UK. The FT-SE Index closed 7.1 down at 7,144.5.

Simon Holberton

MAN IN THE NEWS

Kenneth Clarke

Besieged in the ambulance battle of words

By Philip Stephens



morning – he insisted that he would not back down.

The Government, he conceded, appeared to have been losing the propaganda war because: "I have taken on such popular groups of people . . . lobbies who find it easy to make a substantial emotional appeal."

Such acrimonious battles with interest groups were an inevitable fact for any Health Secretary who was committed to change. But the fact that ambulance workers attracted "populist support" did not make them right.

It might be, he added, that some of his colleagues thought the job should be little else but "kissing babies, getting money from the Treasury and being photographed in caring situations." That was not the job he had taken on.

The ambulance dispute was not simply an argument over a particular percentage pay rise.

It was about the shape and character of the health service and about ensuring that the extra resources he had won from the Treasury went into better patient care as well as wages.

"I think you should judge everything I do in terms of this business of reforming the NHS – really changing it, making it better." My family was change. That involves challenging a lot of extremely powerful lobbies."

He left the impression that if, say, an extra percentage point on the management's pay offer would solve the dispute he would grit his teeth and offer it.

But the unions' demand for a long-term pay formula – linking their wages to groups like firefighters – would set a benchmark for the claims of 500,000 other health service employees. The NHS would then be left "desperately short

of money and unable to keep beds open."

Mr Clarke, whose wider reforms are designed to break down what he sees as the service's inefficient and monolithic structure, is similarly determined that rewards for ambulance crews should be related more directly to their medical skills. "The big issue is the formula and the distinction between the paramedics and the rest," he said.

He left the impression that if, say, an extra percentage point on the management's pay offer would solve the dispute he would grit his teeth and offer it.

Even to supporters, however, his handling of the dispute has often looked unnecessarily belligerent, rooted in his pecu-

liarily passionate dislike of trades unions.

While Mr Poole has won popular support by cultivating a moderate, reasonable image, Mr Clarke has sometimes seemed to be fighting Mr Arthur Scargill's miners rather than ambulance crews.

He does not readily accept criticism of his style: "When I am silent nowadays I am regarded as aggressive," he says. But he concedes that Mr Poole has been a skilful opponent and there is a certain personal respect.

"I actually like him . . . he is one of the more able, more attractive, trades union leaders that I have come across," he says. After Mr Poole's coup this week in exploiting the Nottingham letter: "I dropped him a note congratulating him on the ingenuity of the whole thing."

Such notes, however, will not solve the dispute, which he concedes is "hopelessly stuck"; nor will they repair the damage to Mr Clarke's political reputation.

Two years ago he was regularly included on the list of the leading contenders to succeed Mrs Thatcher when the time comes. Now he is rarely mentioned in the same breath as Mr Major, Mr Michael Heseltine, Mr Kenneth Baker or Mr Chris Patten.

The change of fortune has not taken the edge off his natural ebullience and self-confidence. If, as he firmly expects, Mrs Thatcher stays until beyond the next general election, then he still plans to throw his hat into the ring.

He never believed, he says, that shaking up the health service was going win him instant popularity.

"I remain an extremely committed fan of the National Health Service, one of its more enthusiastic supporters in the Conservative Party . . . but I do believe that it has got to be very much better in the way it is run."

If he succeeds, he says, those colleagues now grumbling in the Commons tea rooms will regard it as "a bloody miracle."

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General Motors, the world's largest vehicle maker, has announced its intention to start producing 100,000 battery-powered - environmentally "clean" - passenger cars a year in four years' time. Ford, the second largest, has announced its own technology which will make feasible mass-produced electric vehicles (EVs) "within five to 10 years".

Gulf and Western, the technology-oriented US conglomerate, has developed an electric power pack utilising a zinc and chlorine electrolytic "couple" which is almost too sophisticated to be called a battery. It gives a light car the ability to keep up with normal traffic, and allows it to do so for 200 miles. It thus overcomes one of the fundamental shortcomings of the electric vehicle: a range typically less than one quarter that of a petrol-powered equivalent, extendable only by swapping batteries or recharging.

All seems to be exciting news, especially against the background of the Californian "Electric Vehicle Initiative" which, authorities in the smog-plagued Los Angeles region hope, will see 10,000 electric cars and vans on its roads by 1995. The initiative is seen as a first big step towards meeting progressively more

John Griffiths on new hopes for the electric car

Batteries for the green bandwagon

severe environmental legislation for southern California. Indeed, the standards envisaged by the state's South Coast Air Quality Management District are so tough that by the year 2010 more than 8m of the region's cars and vans - 70 per cent of the total - will have to be electrically powered if there is to be any hope of meeting them. There are, however, problems.

The GM announcement was made in 1980; Gulf and Western's was made the same year, and Ford's in 1985. These are just three among many examples of manufacturers claiming viable EVs just around the corner which is still unwinding after nearly a century. It is thus understandable that GM's unveiling earlier this week of a new electric car, the Impact, has generated mainly a "let's wait-and-see" response.

The Impact certainly sounds impressive: a top speed of over 100 mph and standstill to 60 mph in eight seconds. Unlike any electric cars, it is not a modified production petrol or diesel-powered car, but has been designed from the start to minimise some of the main shortcomings of electric vehicles, while still using current battery technology. Advances in electronics and electric motor design, weight-saving structural materials and aerodynamics lie behind the vehicle's exceptional performance. It is claimed also to have a range of 124 miles.

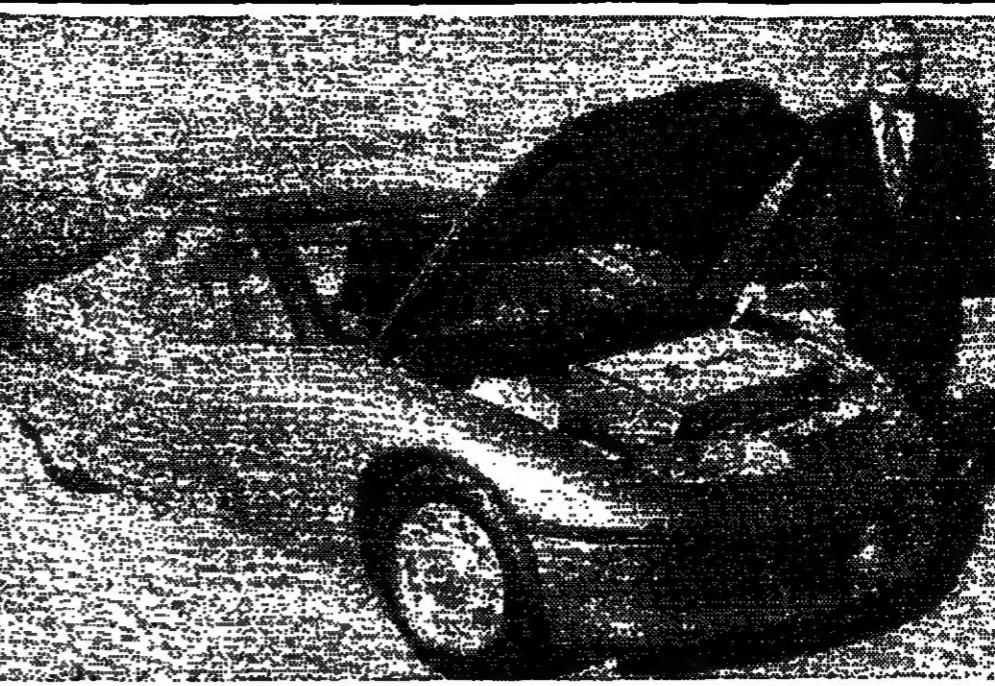
GM's soon-to-retire chairman, Mr Roger Smith, led the press conference announcing the Impact. Yet, perhaps mindful of GM's previous bout of over-enthusiasm, Mr Smith announced only a production feasibility study, and acknowledged that there would have to be further advances in battery

technology and sharp increases in petrol prices for the Impact to stand unsubsidised. But in one important respect at least, Mr Smith was perhaps too pessimistic in suggesting that "we'd simply be back to square one" if the electricity to power EVs was provided only by more fossil-fuel burning power stations. Research undertaken as part of the Los Angeles initiative indicates that, overall, an EV is still 97 per cent less polluting than a petrol car, even when power station emissions linked to vehicle battery recharging are taken into account. The fact that electric cars emit none of the oxides of nitrogen, combine monoxide and hydrocarbons - the last the source of Los Angeles' photochemical smog problems - that even catalyst-equipped conventional cars cannot wholly clean up is important enough in itself.

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impressive: a top speed of over 100 mph and standstill to 60 mph in eight seconds. Unlike any electric cars, it is not a modified production petrol or diesel-powered car, but has been designed from the start to minimise some of the main shortcomings of electric vehicles, while still using current battery technology. Advances in electronics and electric motor design, weight-saving structural materials and aerodynamics lie behind the vehicle's exceptional performance. It is claimed also to have a range of 124 miles.

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GM's chairman, Mr Roger Smith, introduces the Impact

But the new element in the equation is the heightened awareness of the role played by carbon dioxide in the global warming process and the fact that none is produced directly by an electric car. Carbon dioxide is an ineradicable part of the petrol combustion process. More than two kilogrammes of carbon dioxide are released into the atmosphere for every gallon of petrol burnt.

Until now, the high cost of both production and ownership, in the absence of manufacturing economies of scale, has proved to be the main

stumbling block to wider acceptance of EVs, rather than range or performance. For there are plenty of applications, such as urban delivery vehicles, where batteries can routinely be recharged overnight, and in-town runabouts where the EV could work. The

UK has been the principal country to demonstrate this: it has more than 35,000 electric vehicles on the road, even if many are only milk floats.

New charging technology has cut recharging time to a third of the once-typical nine to 10 hours. Some EV proponents have suggested that even the problem of driving between cities could be overcome by setting up EV stations at which drivers could call in for a battery pack swap.

Peugeot, the French vehicles group, which has just decided to launch commercial sales of an electric version of its 205 hatchback later this year, is also working on a hybrid. Jumping on the "green" bandwagon, its "Vert" project (véhicule routier à turbine) combines battery packs with a small turbine.

Peugeot, like the UK's Chloride EV Systems and other European and north American manufacturers involved in supplying three different types of vehicle for the Los Angeles initiative, believes that what happens in southern California could provide the long-awaited turning point for the EV industry - provided the commitment to the programme is sustained. Mr Tom Bradley, Los Angeles's mayor, insists that it will be.

US over drugs.
Diplomats from the region say that East-West rapprochement will free US forces from Europe and that this could lead to reinforcement of Southcom, the US forward headquarters in Panama, where rapid deployment forces are already based.

A lot of diplomatic feathers have been ruffled by the invasion and by incidents that occurred during and after it. Even western European diplomats have been shocked by the inexperience of US troops and their apparent disregard for civilian lives and property in the fighting and the looting that followed.

The official US troop casualty figures are relatively low: 23 dead, 338 wounded. But Panamanian civilian casualties were perhaps as high as 1,000 dead and several thousand wounded. Definitive figures are still awaited.

Panama's new leaders had quietly encouraged the invasion as an easy way to rid themselves of the General, without worrying too much about the damage that might be caused to the country's sovereignty. The US and the new government must now cope with the costs of the military solution, as they begin to pick up the pieces.

Now Panama must pick up the pieces

Tim Coone reports from Panama City on reconstruction efforts after Noriega

Operation "Just Cause" is over. Having sent in 26,000 troops invasion troops, the US has got its man, Gen. Manuel Antonio Noriega, is behind bars in Miami.

The Canal is safe - if indeed it was ever under threat - and a friendly government is in place which demonstrably enjoys the support of the Panamanian people. In meeting its stated objectives, the operation was largely a success.

But it will not be forgotten that this was a US military intervention in Latin America. To many in this region, the invasion of Panama looks like a violent, anachronistic job to an evolutionary process of fading superpower hegemony. It is seen as a challenge to an emerging norm of peaceful solutions and respect for the principle of non-intervention in other states' affairs.

The invasion was carried out without any prior consultation with Panama's new leaders, whose legitimacy is based on their victory in the elections last May which Gen. Noriega annulled. The summary extradition of the General to the US this week was also done without their authorisation.

President Guillermo Endara did not make even a mild protest. Eclipse by his two vice-presidents and dependent on

US aid to revitalise Panama's battered economy, he is little more than a figurehead. He was a compromise choice between the opposition alliance's three parties.

The strongest figures in the new government are the two vice-presidents: Mr Guillermo Ford, who as Planning Minister is now the most powerful Panamanian in Panama; and Mr Ricardo Arias Calderon, the coalition's political leader, in charge of creating a police force to replace the Panama Defence Forces, which the US invasion force crushed and is now purging.

Mr Ford controls all economic decision-making and the allocation of state resources and foreign aid. He is seen as the closest US ally within the new government. He also controls the Banking Commission which regulates Panama's offshore banking centre. But despite his pro-American sympathies he is believed to have told the visiting US Panama Economic Recovery Mission on Thursday that Panama will not

surrender its banking secrecy laws.

According to Mr Edgardo Lasso, the president of Panama's private sector Banking Association, the US wishes to be able to impose regulations in Panama similar to those that exist in Miami's offshore banking centre. "It is not the first time. Perhaps with the new situation they feel they can raise the issue again but with more success now," says Mr Lasso.

The share-out of the expected US aid bonanza is likely to present an early test for the political skills of a highly inexperienced government

At its peak, Panama was one of the most important offshore financial centres in the world, with deposits of over \$40bn booked here. The recovery of the banking sector is seen as the keystone to the overall recuperation of Panama's service-dominated economy.

Arias, who heads the Christian Democrat party, is perhaps the most independent of the US, and has good connections with European Community and Latin America leaders through the international links of the Christian Democrats. The US's main influence is

likely to be exerted through the lever of economic aid for Panama's recovery - routed through Mr Ford's ministry. It would be naive to think that strings will not be attached, and diplomats say that Mr Arias has already expressed concern about this.

Panama is said to have asked for a package of \$1bn in aid from the US. According to senior Panamanian banker, the depressed construction sector is earmarked as an impor-

tant. Projects such as Centraport - a \$400m plan to build a cargo rail link across the isthmus - and the big Cerro Grande copper project, are likely to be funded off. The Colon Free Trade Zone, only slightly damaged by the invasion, can continue its steady expansion.

Rationalisation of the 150,000-strong public sector is anticipated to cut government spending and to channel more resources towards the private

years, however, under military rule, it has at last had its hands on the levers of state. It is now perceived that the main beneficiaries of Noriega's overthrow are the predominantly white merchant class and wealthy exiles flooding back from Miami, the government's present cushion of support could quickly wear thin. As one Western diplomat remarked, "much of the government's support is anti-Noriega rather than pro-them".

The uncertainties in this situation mean that the US may have to maintain its reinforced troop presence in Panama for some time. Latin American leaders are concerned about whether the invasion and seizure of Gen Noriega, followed by pressure on the new government to reduce Panama's banking secrecy, is an example of the lengths to which the US is prepared to push its anti-drugs war. They have long viewed the Panama crisis as a possible foreshadow of what could happen elsewhere in the continent where there is friction with the

LETTERS

Road pricing requires sensible implementation

From Mr A. Edward Gottesman.

Your editorial (December 18, 1989) calling for road pricing to "achieve a permanent improvement in traffic flow" in London is admirable but for your descent into the vague political jargon which has dogged this and many other bureaucratic problems in the past.

The problem is that there are too many cars on the roads and 20 per cent or more of paved road space is used for parking, much of it illegal.

The Government's policy for more than 20 years has been to restrict publicly available off-street parking in London, in the belief people would be discouraged from using their cars in the metropolis. A bird's eye view of the central London area demonstrates the folly of

this vain hope. To make the concept of road pricing both practical and understandable would require only two simple steps:

• The introduction of a special license, a "green number plate" costing, say, £240 a year which could be purchased by anyone in the UK, but which would be the sole license to use a motor vehicle in the London postal districts.

• The retention of the proceeds from the annual fee for the "green number plate" as a dedicated fund to finance the construction (but not the operation) of public off-street parking facilities to be built in central London as on-street parking is banned completely.

The direct economic loss which the UK suffers as a result of traffic congestion in

roads. Only traffic with a specific destination and a legal parking space should be encouraged.

A more egalitarian alternative to road pricing would be to restrict all vehicles over, say, 11 feet long or carrying fewer than 10 people to off-peak use. R.G. Appleton,
54 Foxearth Road,
Selsdon, Surrey

From Mr D.B. Palmer.
Sir, You say that the Department of Transport has always adopted an "engineer's approach" to traffic and imply that it interprets problems narrowly before applying preconceived remedies.

An engineer by training is more likely to adopt a holistic approach and seek the cause of the problem; that is, to con-

sider not how a driver best makes a journey, but to ask why it is necessary to travel that route at that time. A solution is then apparent. The environment should be reconstructed to minimise the distance travelled between home and work. Communications should be improved to reduce the need for face-to-face talk in business.

Improvements in road use should proceed from the reasonable premise that people do not like to be stuck in traffic, nor do they park at the roadside expressly to obstruct others. Applying hideously inconvenient and expensive penalties will not make the situation any better.

D.B. Palmer,
57 Nightingale Road,
Carshalton, Surrey

Football revolution
Ken Livingstone, MP.

Sir, Observer (January 3) refers to former great football clubs now languishing in the lower divisions of the league but which attract many supporters to their games.

Bristol City attracted 12,000 supporters for a New Year's Day fixture in the third division - very impressive. But the most extraordinary demonstration of supporter loyalty occurs every week at fourth division Burnley. On Boxing Day, over 12,000 supporters turned out to watch Burnley at Turf Moor. The next match against Halifax on December 30 attracted almost 10,000. These crowds are generated from a population of 75,000. The clubs mentioned by Observer can call on a much larger population base (Bristol 470,000; Birmingham 1m).

Burnley's average crowd last season was over 7,000, more than twice that of most others in the division. This season, the average is 7,000 with the nearest rivals struggling to make 4,000.

Look at Lancashire and you will see a real football revolution, and it's hardly started yet. Wait until Burnley complete their climb to the top of the table.

Peter Rawlinson,
First floor flat,
The Little Barn,
Pains Hill,
Limpstield,
Oxford, Surrey

Japan's basic balance

From Ken Livingstone, MP.

Sir, The deficit in the Japanese basic balance did indeed fall in 1989, and not rise as I said it did in my letter of January 3. Jeremy Hale (Letters, January 5) is right to point out the error, which was passed on from incorrect figures supplied to me by a research assistant.

This does not, however, invalidate my central point, which is that - with the deficit on the Japanese basic balance at 0.5 per cent of GNP, and the deficit on the British basic balance at 10 per cent of GNP - much greater upward pressure is placed on UK interest rates to attract funds to cover the deficit than is placed on Japanese interest rates.

Ken Livingstone,
House of Commons,
Westminster

"the benefit of the good name, reputation and connection of a business. It is the attractive force which brings in custom." I would say that goodwill is that intangible quality which distinguishes a firm from the collection of unrelated economic agents it would otherwise be.

As such, goodwill is not a profit, super profit or assets. It is the lifeblood of a business. It cannot be separately valued although its value is subsumed in the value of the entire company. It is futile and absurd to try to depreciate it.

Lord Macnaughten's definition of goodwill is perhaps the most helpful. He said it was

created piecemeal by expenditure over a prolonged period and which is written off against profits as revenue expenditure.

Both types of expenditure - lump sum purchase and prolonged write-off - create an intangible asset which is expected to be reflected in future profit performance. They represent classic instances of long-term investment: short-term expenditure to secure long-term benefit.

Stacy Tweedie object that immediate write-off of purchased goodwill against reserve make the accounts look as if part of the shareholders' funds have vanished. But that is precisely what has hap-

pened. Resources previously under the control of the shareholders of the acquiring company are transferred to the former owners of the business being acquired. To the extent to which the acquiring company does not recognise accounting values, its funds do "vanish" - just as in the case of "internally-generated" goodwill. Because it is not recognised as an asset, the corresponding expenditure makes the accounts look as if shareholders' funds have vanished.

John Calman Shaw,
Scottish Financial Enterprise,
91 George Street,
Edinburgh

130 Christine Avenue,
Birstall, West Yorkshire

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Target valued at £161m or 479p a share but no cash alternative

Higgs rejects new Lovell offer

By Ray Bashford

HIGGS AND HILL yesterday rejected a revised takeover offer from YJ Lovell which values its competitor in the construction and house building industry at £161m.

Lovell has again offered cash and shares altering the terms of its bid made on November 20, which placed a £138m price tag on Higgs.

Some City analysts had been expecting Lovell to include a cash alternative to attract support from investors who remain doubtful about the prospects for the construction and housing sector.

Lovell is now offering for every 100 Higgs and Hill shares either £135.24 in cash, 32 new ordinary shares and 250 convertible preference shares or £21.08 in cash and 250 new convertible preference shares.

Lovell shares closed 14p higher at 24p while Higgs and Hill shares eased 1p to 45p, compared with the 47p which the offer places on the shares.

Higgs claimed that the rise in Lovell's share price reflected the market belief that the revised bid was insufficient to win the bid. It therefore removed the possibility of the



Andrew Wassell, (left) chief executive of Lovell, and Antony Stens, deputy chairman.

dilution in earnings which would occur if it were successful.

However the bidder said that there would be no dilution in earnings in the first 12 months if the bid was successful. Lovell is believed to be considering a major rationalisation of the groups' operations which would reduce annual overheads by between 5% and

8%. Lovell, which holds about 13 per cent of the capital principally through acceptances to date, is believed to have bought no shares yesterday through the market.

Mr Andrew Wassell, the chief executive of Lovell, described the revised offer as substantially increased and repeated his belief in the industrial logic

of merging of the companies. "Our offer of 479p is generous. We are offering Higgs and Hill shareholders the opportunity to become holders of Lovell's high quality shares. The growth potential of our shares must now be clear to everyone," he said.

Mr Brian Hill, the chairman of Higgs and Hill, urged shareholders to reject the offer, saying that it failed to reflect the worth of the company.

He also demanded further information about Lovell, in particular the prospects for its speculative housing business and the level of outstanding borrowings, both on and off the balance sheet.

In the takeover statement, Lovell said that its gearing stood at 70 per cent and that off balance sheet debt with recourse to the company lifted this figure to 81 per cent which was "comfortably covered by balance sheet assets".

In its most recent defence document, Higgs and Hill said it would boost its final dividend by 5% per cent and that annual pre-tax profits would rise by 6 per cent to £26.5m. See Lex

Diploma spends \$24.2m on US expansion into data cabling

By Andrew Bolger

DIPLOMA, the electronic components and building supplies group, has paid \$24.2m (£15.1m) in cash for 94 per cent of Wakefield Electronics.

Wakefield is a private group of US companies which distributes data communication as well as computer networking cables and associated equipment.

Wakefield's main trading names are South Hills Electronics and Alpeco and its sales are spread across the US and into the Caribbean and South America.

Mr Christopher Thomas, Diploma's chairman, said the acquisition would give his company entry to the expanding field of data cabling as well as an opportunity to participate in the growth expected from the creation of local area networks of computers.

Wakefield's sales for the nine months to the end of September 1989 were \$16.5m (£10.2m), while profits at the pre-tax level were \$2.56m (£1.65m).

Net assets were \$10.2m (£6.3m). The remaining 6 per cent of Wakefield's equity is owned by the existing managers.

Tavern buys Fast Forward stake

By David Owen

TAVERN LEISURE, the public house and catering group based in Oxford, has acquired 14.9 per cent of issued ordinary share capital.

Tavern has also bought all of its fellow public house operator's 10 per cent convertible 'B' and 5.5 per cent convertible 'C' preference shares.

If converted, Tavern would

own 26.7 per cent of the increased ordinary share capital. The total cash consideration amounts to £2.2m.

In addition, Tavern has entered into a contract to assist in the management of all Fast Forward operations. Mr Robert Halsey, Tavern chairman, has been appointed non-executive director of Fast Forward.

Last June, Tavern raised

when stock values are confirmed.

Net assets acquired as a result of the transactions are put at £2.2m. Of the pharmacies, 14 are in the Newcastle/Gateshead area, with the others located in Weston-super-Mare and Blackburn respectively.

In comments on current trading, AAH's directors advised that its non-health-care-related activities - which include builders' and electrical supplies - are being affected by the deteriorating economy.

The balance has been satisfied by a cash payment. Further small cash considerations are expected to be payable

£4.7m through the largest Third Market flotation to date. In its first expansionary move thereafter, the group acquired in September two licensed premises in Northamptonshire for an undisclosed sum.

Fast Forward, which hopes to obtain permission for its ordinary shares to be traded on the Third Market, owns and operates 19 pubs, nine under the name of Slug and Lettuce.

Mr Geoffrey Mulcahy, Kingfisher's chief executive, said at the meeting: "I cannot emphasise enough that we are not going to overpay for a business which cries out for a new management approach and is going to require considerable effort on our part to turn around."

He said the 120p-per-share offer was "serious and generous" in the "light of our exhaustive analysis of the Dixons business".

Shares slipped in the declining market, tumbling 10p to close at 415p.

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AAH expands pharmacies outlets with £6.4m deal

By David Owen

AAH HOLDINGS, the distribution and services group, is adding 16 more retail pharmacies to its chain of outlets for a total consideration of about £5.6m.

The company said that the outlets would be added to its Vantage franchised pharmacy programme, further extending its geographical scope.

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By David Owen

FOLLOWING THE acquisition of two companies and the sale of one, John Williams Industries has produced merger-accounted results for the year ended March 30, 1989.

These show pre-tax profits advancing from £41,000 to £278,000, earnings (ranking for dividend) of 0.63p (losses 1.33p), and the payment, on May 30, of an 0.5p dividend, the first since 1981.

The revamp was part of the

group's transformation into an industrial holding organisation. The next step, announced yesterday, is divestment of the property interests subject to market conditions.

The company's principal business was the manufacture of iron and alloy iron castings. During the year Glen Metals, the steel stockholder, was sold, and Wyndham Engineering, the precision engineer, and Players (UK), which makes

steel drums and also holds the Toyota vehicle franchise for the Swansea area, were acquired against the issue of shares.

Mr Brian Brownhill, chairman, reported that the foundry continued in deficit in the year, but the first phase of modernisation had been completed and benefits should become evident in the current year. The planning for the second phase was virtually com-

pleted.

As to the future, he felt it was both "stimulating and exciting", with the group having a firm foundation and a strong sense of direction.

Turnover in the year rose to £20.46m (£14.92m). There were extraordinary credits of £255,000 (debit £65,000), bringing the net profit to £425,000 (loss £225,000). Earnings on shares in issue at the year-end were 0.36p (loss 0.56p).

By David Owen

REVAMPED J WILLIAMS surges to £278,000

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Norfolk Capital board backs director

By Andrew Hill

DIRECTORS OF NORFOLK Capital Group, the hotel company, have unanimously confirmed their rejection of a planned management coup by Balmoral International, a private Edinburgh company, and supported fellow director Mr Tony Good.

Mr Good had general discussions with Balmoral's managing director, Mr Peter Tyrie, in November.

The private company went on to unveil a plan to oust Norfolk's managing director Mr Peter Eyles and install a triumvirate of Balmoral executives in his place.

Balmoral is planning to send a package of documents to Norfolk shareholders this weekend and the hotel group yesterday advised investors to take no action. Norfolk said that Mr Tyrie and his colleagues did not have the necessary experience to carry out their proposals.

Having discussed Mr Good's conduct at a board meeting yesterday, Norfolk said that the directors had accepted his account of the meeting with Mr Tyrie. The issue of Mr Good's resignation or removal from the board therefore did not arise.

Mr Good was apparently told none of the details of the Balmoral plan and asked Mr Tyrie to refer any takeover proposals to the other directors.

Norfolk also confirmed that it would continue to be advised by Morgan Grenfell, the merchant bank.

Balmoral is asking Norfolk shareholders to vote on its proposal at a special meeting on January 29. Norfolk said yesterday that it would stand down a circular to shareholders next week giving its reasons for rejecting Mr Tyrie's plan.

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AMERICA

Volatile equities reflect international uncertainty

Wall Street

TRADING was volatile on Wall Street yesterday morning and afternoon as US investors reacted to the steep overnight falls in Tokyo and other Far Eastern stock markets, writes Anatole Kalentski in New York.

The market fell sharply in the first hour of trading, echoing Tokyo's distress at rumours about unrest in the Soviet Union and even the possible assassination of President Mikhail Gorbachev. After a brief initial bout of selling, prices recovered, but then fell again just after lunch so that by 2.15 pm the Dow Jones Industrial Average was 13.86 points down at 2,782.21. On Thursday the Dow fell by 13.65 points.

Volume was moderate with 120m shares changing hands by 2.15 pm, when declining shares outnumbered gains by about four to three.

The bond market showed little response to the eagerly-awaited December employment figures. Although the payroll employment growth of 142,000 was much lower than expected, analysts dismissed the significance of this aggregate figure. Most of the difference between

the latest figure and the 223,000 gain recorded in November could be explained by a severe decline in construction jobs, attributable to exceptionally cold weather.

Job growth in the service sector remained unchanged, while manufacturing continued to lose jobs at a rate of around 25,000 a month.

At lunchtime, the Treasury's benchmark long bond was trading 10 at 100.00, a price at which it yielded 9.0 per cent. The dollar was comparatively steady throughout the morning, in spite of reported intervention by the Federal Reserve, which sold dollars for yen when the US unit was at Y143.90. Thus foreign exchange markets had no impact on the stock or bond markets.

The blue chip stocks maintained the pattern established in the last week, with selected technology issues showing gains relative to the rest of the market. IBM advanced another 51/4 to \$101 1/4 and Digital Equipment gained \$1 to \$37 1/4. Several other technology stocks showed smaller gains.

Most of the non-cyclical consumer stocks were little changed, but Procter & Gamble fell 5/8 to \$83. Gold stocks did well in a response to the

renewed concern about unrest in Eastern Europe. Homestake Mining rose 5/8 to \$20 and Batz Mountain advanced 5/8 to \$17. Germany Fund fell sharply by 1/2 to \$18.50 for the same reason.

Oils, on the other hand, were mostly down slightly. Chevron fell 3/8 to \$66.50 and Baker Hughes declined 5/8 to \$24.

The only special situation of note was AST Research, which jumped \$2 to \$14, having announced after the markets closed on Thursday that it would post a net profit of \$7m in the December quarter, after a loss of \$35m the year before.

Canada

A FALL in Canadian banking stocks held advances in check at mid-session on the Toronto exchange.

The composite index rose 7.2 points to 4,008.1 on volume of 16.1m shares. Advances led declines 237 to 219.

The National Bank of Canada fell 6/8 to C\$11.10 on volume of 1.2m shares. The bank took control of about 23 per cent of Mr Robert Campbell's holding in Canadian Tire after he defaulted on loans. Campbell lost 10 cents to C\$3.35.

EUROPE

Traders take opportunity to extend the correction

LEADING markets lashed on to the news that President Gorbachev was to concentrate on domestic affairs for the time being, although some observers saw this as an excuse for profit-taking, and a correction, writes Our Markets Staff.

PARIS fell back after its strong rise on Thursday, reflecting both the jitters in Japan and West Germany and renewed concern over the rise in money market rates.

The CAC 40 index, which hit a record in volume of FFr3,400 on Thursday, ended 12.06 lower at 3,994.36, but only marginally down on the week. Volume was estimated to be FFr3,300.

Japanese investors had been showing an inclination towards France, after being active in Germany recently, said one analyst. "But the worries over Gorbachev going may short-circuit their tendency to go into France at the moment," he added.

Paribas was active and strong again, rising FFr714 to FFr714 to give a two-day gain of 4 per cent. On Thursday, the bank decided to take its stake in Navigated Mixte to 40 per cent. There has been speculation that Mixte, which is now thought to hold 12 per cent of Paribas, would be buying, although one observer thought this week's activity was more likely to be coming from allies of the Paribas camp.

FRANKFURT reacted to the Soviet news with an early drop of 31.51 on the DAX index, but recovered to close 15.85 down at 3,820.00 for a rise of 1.7 per cent on the week. The FAZ index, at 765.91, was down 6.04 on the day and up 2 per cent on the week.

Japanese investors, given credit for the Christmas rally, were duly blamed for the setback, but some blue chips rose while the others fell, volume declined only marginally from, DM10.9bn to DM10.8m and the whole scenario suggested a correction, and some selective buying.

Thus while Siemens and

Deutsche Bank fell another DM12.50 and DM12, to DM730 and DM827 respectively, Daimler, and the insurer Allianz actually gained DM7 and DM50 to DM622 and DM580.

AMSTERDAM dropped back again in modest trading worth F1.691m, depressed by high short-term interest rates, the weakness of the dollar, and the setback on other markets. The CBS tendency index closed 1.6 lower at 117.2, and the CBS general index was off 2.8 at 201.1, or 1.6 per cent lower this week.

The main feature was Hoogovens, the steel stock, which plunged F1.60 to F1.80.50 on disappointment over its forecast of a weaker first half year. DAF, the truck maker, was down F1.20 at F140, amid concern that its market would shrink further this year.

BRUSSELS reflected the sombre mood over the Soviet Union. The cash market index lost 23.85 in quiet trading to close at 6,972.30, 1.6 per cent higher on the week.

The retail group, Delhaize rose BFr10 to BFr5.870 on a 35 per cent estimated rise in 1989 profits. But the Hoogovens trading depressed local counterparts. Arbed losing BFr160 to BFr5.40, Clabecq BFr70 to BFr4.270 and Cockierel BFr4 to BFr200.

MILAN saw moderately active trading as the Comit index rose 0.86 to 701.12 for a 2 per cent rise on the week. London analysts, meanwhile, were musing about the healthy unit trust figures which show cash holdings up from 5.8 per cent of funds last September to 8 per cent in December.

This could represent a strategic stockpile of cash which could go into the securities market, or a cushion against the wave of net redemptions which have bedevilled the Italian mutual fund industry in recent years.

MADRID fell back below 300 on the general index, closing 3.64 lower at 299.21, but giving a net gain of 0.8 per cent on the week.

In yesterday's Europe report, the price of Eurotunnel in Paris was incorrectly given as FFr56.50 due to a mistake in the bourse computer information supplied to Reuters. The price should have been FFr67.

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FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS

	THURSDAY JANUARY 4 1990				WEDNESDAY JANUARY 3 1990				DOLLAR INDEX			
	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	Day's change % local currency	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Local Currency Index	1989/90 High	1989/90 Low	Year ago (approx)
Australia (64)	155.88	+1.4	141.78	132.24	-1.4	5.16	153.71	141.55	130.48	160.41	128.28	145.83
Austria (19)	209.94	+1.9	190.95	183.82	+0.2	1.32	205.95	189.65	183.53	206.94	92.84	98.11
Belgium (63)	158.20	+1.9	143.88	138.68	+0.3	4.01	155.27	142.98	138.23	166.20	125.58	152.65
Canada (120)	153.17	-0.3	189.32	128.77	-0.2	3.11	153.82	142.98	138.23	166.20	125.58	152.65
Denmark (50)	200.95	+1.4	170.29	111.97	+0.2	1.10	201.69	177.86	151.13	215.13	105.97	161.80
Finland (26)	157.97	+3.5	143.62	124.38	+1.2	2.49	150.38	120.07	111.70	159.16	116.85	127.85
France (125)	127.74	+0.7	116.19	111.71	-1.5	1.08	125.65	116.81	113.46	127.74	79.56	89.80
Hong Kong (45)	118.44	+0.2	107.73	118.82	+0.2	4.80	118.17	108.82	108.54	140.33	102.80	115.04
Ireland (17)	153.42	+2.7	175.93	174.71	+1.0	2.49	185.35	173.44	173.05	193.42	125.00	128.77
Italy (86)	100.42	+3.8	98.85	98.85	+0.6	0.45	104.89	178.47	179.43	200.11	167.22	191.36
Japan (453)	124.23	+1.2	179.42	178.28	-0.4	0.21	234.94	216.35	225.69	244.96	143.35	143.87
Malta (59)	326.59	+0.3	214.28	205.40	-0.4	0.53	324.53	298.85	295.48	330.46	153.33	159.10
Mexico (13)	330.49	+1.8	300.58	297.11	+1.6	1.15	326.59	277.86	261.13	326.59	122.59	128.54
Netherlands (43)	145.65	+1.0	132.49	128.32	-1.2	4.22	144.19	132.78	127.93	145.65	110.63	113.20
New Zealand (18)	75.28	-0.1	58.47	66.95	-0.6	5.28	75.58	69.38	67.32	88.18	62.54	68.51
Norway (24)	212.76	+1.9	193.59	190.02	+0.9	1.44	206.79	192.27	186.35	212.76	139.92	148.86
Singapore (26)	187.00	+2.8	170.09	183.85	+2.1	1.78	187.27	182.27	171.00	192.47	124.57	137.47
South Africa (60)	185.35	+1.0	179.25	154.94	+0.2	0.35	185.35	188.36	188.58	192.63	135.35	117.40
Sweden (35)	197.84	+1.1	185.25	187.97	-0.2	3.25	186.33	150.41	137.26	187.75	143.14	146.88
Switzerland (62)	98.92	+2.5	88.21	92.88	+0.1	1.89	161.37	176.22	177.27	197.44	138.45	143.59
United Kingdom (307)	162.84	+0.9	148.12	146.12	-0.3	4.24	161.32	148.56	148.56	162.84	133.28	135.01
USA (542)	144.01	-0.7	130.99	144.01	-0.7	3.25	145.08	133.60	145.08	146.29	112.13	113.98
Europe (92)	145.87	+1.6	132.68	130.59	-0.2	3.25	143.62	132.25	130.82	145.87	112.63	115.19
North America (121)	191.25	+2.9	173.79	166.14	+1.5	1.71	185.99	171.27	165.85	191.25	137.56	142.69
Pacific Basin (667)	152.78	+1.2	175.32	174.59	-0.3	0.63	190.45	175.38	175.19	194.72	160.44	166.35
Euro-Pacific (1659)	174.18	+1.3	158.42	157.04	-0.3	1.58	171.89	158.29	157.48	174.18	141.56	157.85
North America (622)	144.45	-0.7	131.59	143.04	-0.7	3.24	145.49	133.98	144.07	146.66	112.79	114.70
Europe Ex.												

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LONDON SHARE SERVICE

AMERICANS—Contd										BUILDING, TIMBER, ROADS—Contd										DRAPERY AND STORES—Contd										ENGINEERING—Contd										INDUSTRIALS (Miscel.)—Contd										INDUSTRIALS (Miscel.)—Contd																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																										
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The Third Age

This special issue of the Weekend FT investigates the challenges and opportunities – personal, professional and financial – of the period in our lives now described as the Third Age . . . the years of our full maturity. Christian Tyler sets the scene



The Middle Ages of Britain

Britain has looked at itself in the demographic mirror and discovered a middle-aged spread. As we shuffle towards the second millennium, that discovery will impinge ever more forcefully on the way people live in the UK and in all other rich Western countries.

Should we celebrate or should we repine? Like the middle-aged man or woman contemplating their profile from the bathroom scales, our first reaction is one of foreboding and regret. Yet, there is a lot to which we can look forward.

The fact that the population is getting so much older will certainly create some problems and some expense. But it will also create opportunities. This demographic change (a "time bomb," according to the speech-writers) is taking place at a time of great technical progress – the speed and skill of computers; the proliferation of communications – and the breakdown of the old pattern of education, work, career and retirement.

Overall, there will be no shortage of people to do the work but the kind of work they do, the way in which they do it, and the time they have to spend doing it could alter wonderfully. In turn, our habits of mind, our values – even the language we use – could change.

William Shakespeare divided man's life into seven ages. Today, we are urged to think in terms of four. First comes childhood dependency and basic education; then comes work, marriage and children. The Third Age arrives when the children have left home and is an opportunity for self-expression and new occupations; the fourth age (usually very brief) is dependent old age. Britain will be one of the first countries in the world to have a large, even dominant, proportion of its citizens in their Third Age. Continued on Page X

- Preparing for retirement: III ● Pensions and you: V ● Coping with gardens: VIII ● Portfolio man: X
- Time of plenty: XI ● Beating wrinkles: XIII ● Travel for over-60s: XIV ● Sport: happy veterans: XVIII

DAVID BROMLEY

The Long View

Paying dearly for Norman's knighthood



Michael Prowse
Personal pensions were the fad of the late 1980s, but Michael Prowse doubts whether they will provide security for tomorrow's pensioners

CABINET ministers come and go, but few make a lasting impression on national life. Norman Fowler, who resigned as Employment Secretary this week, was a curious exception. As Social Services Secretary in the mid-1980s, he neutered the State Earnings Related Pension Scheme (Serps) and promoted personal pensions. In the process, he decisively altered the retirement prospects of millions of Britons.

Pensions are a notoriously touchy subject. Yet as the average age of retirement declines and life-expectancy rises, they are assuming ever greater importance. People's ability to enjoy an expanding Third Age of life – the period after parenting/career – and before eventual dotage – will be largely dependent on the financial resources at their command. Surveys suggest many people want a retirement income of about three-quarters final salary. Alas, most will fall far short.

In many instances, Third Age austerity will be a direct consequence of the Fowler "reforms". During the 1970s, a bipartisan agreement on pensions was laboriously forged. Both political parties recognised that the basic old age pension, even if uprated in line with earnings, would not provide an adequate retirement income. Something extra was needed for the millions who did not enjoy the relative security of a salary-linked occupational pension. Serps was the

solution: an earnings-related supplementary pension organised by the state rather than individual companies.

By 1988, having already axed the link between earnings and the basic pension, the Thatcher Government was bold enough to propose the abolition of Serps. Fowler claimed the scheme would put an unacceptable strain on taxpayers in the 21st century. Its privatisation was also seen as a marvellous opportunity to promote "popular capitalism".

In the mid-1980s, worries about the economic consequences of ageing populations were being voiced in several industrial countries. The OECD and other conservative organisations had begun to publish alarmist articles about the need for retrenchment. The case for a drastic pruning of Serps thus looked plausible.

In fact, the argument was pretty weak. The ageing expected in Britain is quite modest by international standards. In West Germany, for example, the proportion of over-65s in the population will rise substantially between 1989 and 2010; in the UK it is expected to decline. Britain will be at its greyest in 2040, but even then the over-65s will account for only about 20 per cent of the population – a five percentage point increase over 50 years.

The UK's starting point is also relevant. In 1985, it spent only 7% per cent of national income on state pensions compared with over 8 per cent

earnings below the national insurance contribution ceiling, currently a modest £225 a month.

In the event, Fowler shrank from abolishing Serps. But future liabilities to taxpayers (and hence benefits to members) were cut by at least 50 per cent. A bribe equivalent to 2 per cent of allowable earnings was also offered to those contracting out of the scheme and investing in a personal pension. From the Government's view, these policies were resoundingly successful.

Sales of personal pensions have greatly exceeded ministerial expectations. Since July 1988, about 3m people have abandoned the state scheme for the private sector. This has been a boon for insurance companies but a headache for the Treasury, because the incentive payments (to be paid until 1993) have cost far more than expected – expenditure has probably already exceeded £1bn.

The spread of personal pensions is hailed as a glorious expression of popular capitalism. Yet the proportion of people retaining control over their portfolios is tiny. In reality the Government has provided artificial incentives for yet another form of institutional investment. In doing so, it has undermined the long-run financial security of many individuals.

The majority of those who have contracted out of Serps appear to have bought the cheapest possible personal pen-

sion: they have simply invested their national insurance rebate and the Government's bribe and added no new money. They have also unwittingly paid very high (but undeclared) administration charges, perhaps up to 20 per cent of the total premium. Pre-Fowler Serps would have offered a far better pension for most of these unfortunate.

The original Serps had all the virtues of a good pension scheme. It offered exceptionally low administration costs, job mobility and maximum security in old age. Nothing in the private sector can match this combination of virtues. Final salary schemes penalise early leavers and (to their lasting disgrace) still fail to index pensions in payments.

Personal pensions offer mobility but are expensive to administer and offer little security. Investors have no idea what benefits their contributions will eventually buy. Advertisers should note that few members of good corporate schemes have opted for personal plans and that no civil servants are pleading for the winding-up of their generous index-linked state pensions (which strangely escaped the Government's axe).

In promoting this crude form of "piggy bank" saving, Fowler has put the pensions clock back half a century. As he enters his Third Age, he gains a knighthood but not, I fear, the eventual respect of tomorrow's pensioners.

95%
did not.

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MARKETS

LONDON

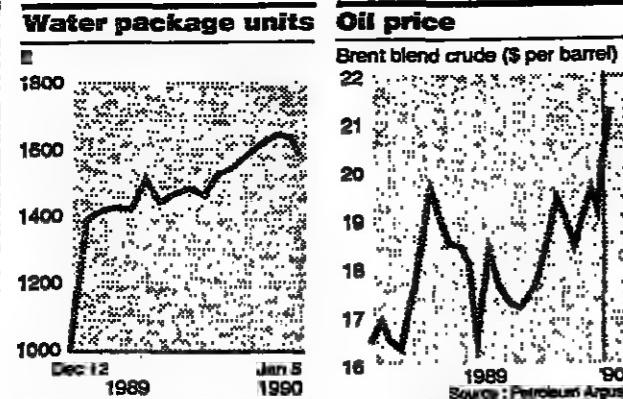
A slightly happier New Year

FINANCE & THE FAMILY: THIS WEEK

Planning for the Third Age

The so-called Third Age presents a whole host of issues and potential benefits — for the large number of people involved. Family and Finance writers assess what is involved and advise on how best to benefit from the impending demographic shift. The key message is: start planning now if you hope to reap the full benefit. Pages III, IV and V

BRIEFCASE: Shares transfer to son: Page VI

**Sparkling performance by water stocks**

The continuing sparkling performances of the 10 water stocks and the Water Package Units which made their stock market debuts on December 12 was a feature of trading in London's securities market this week. However, there was an element of uncertainty yesterday as Nicholas Ridley, the Trade Secretary, announced that he had referred the takeover of Mid-Kent Water by Generale des Eaux of France and the acquisition of Mid-Sussex Water by Southern Water to the Monopolies Commission. Analysts are waiting for news of any further stakebuilding by French companies. Within a week of the market debuts of the water stocks Lyonnaise des Eaux revealed it had acquired a holding of 9 per cent in Anglian Water, a 6 per cent stake in Wessex Water and a 2 per cent holding in Severn Trent Water. Thames Water shares were boosted by being included in the FT-SE 60-share Index. Stephen Thompson

Four-year peak for oil prices

Oil prices hit a four year peak on Wednesday when cargoes of Brent crude rose to \$21.975 a barrel. The strength of the market has been due to a number of special factors, including the extremely cold spell in the US, the unscheduled shutdown of some American refineries, and tight supplies of Brent oil, the most widely-traded international crude. Although there are fears that the jump in prices will force up the cost of petrol and other fuels, it is widely expected in the industry that crude prices will weaken later this month, helped by warmer weather conditions in the US. Production within the Opec oil producing nations has also been strong recently. Terry Dowdswell

Mortgage rates 'to fall'

Mortgage rates are set to fall during 1990, according to a poll of the leading building societies by Mortgage Magazine. The steepest decline was forecast by NatWest, Britain's largest bank, which said that rates would be down to 12 per cent by the end of the year, against 14.5 per cent at present — representing a saving of £77 a month on a typical £50,000 mortgage. Halifax, the country's biggest lender, is predicting a drop to 13 per cent. Lower rates are widely expected to lead to the end of the current slump in the housing market. T.D.

Abbey habit — on Saturday

Abbey National is launching a new all-day Saturday service at 150 of its busier offices from today. Customers will be provided with a full service, including cash transactions, until 4 pm in the afternoon at branches generally located in busy shopping centres. The company's 522 other branches will continue with their existing Saturday arrangements, with the majority being open until noon. T.D.

Lloyds offers mortgage discount

Lloyd's Bank is aiming to help first-time home buyers with a 2 per cent discount on endowment and pension mortgages until March 30 1991. To qualify for the discount, mortgages must be supported by a Black Horse Life Endowment or pension policy, and a Lloyd's Bank Home Insurance buildings cover. Buyers must also have a banking relationship with Lloyds. The bank says that it has been able to give the discount, which is aimed at increasing its market share among first-time buyers, because it will effectively give back the commissions on its endowment and insurance policies to its customers. T.D.

Investor protection improved

An important step forward in investor protection this week was the introduction, at the insistence of the Securities and Investments Board, of a Buyer's Guide in life assurance selling. Now all intermediaries and salesmen, whatever their status, must at the outset of any sale, present clients with a copy of the Guide for retention and allow them to read it before proceeding with the sale.

The Guide is only one page in length and sets out the status of the salesman, whether he is independent or the representative of one life company or unit trust group. It then goes on to set out the rights of the clients — what information they should receive; what the salesman must explain when selling a product; and the right to a "cooling-off" period during which the client can change his mind. Eric Short.

IF THE CITY made a resolution on New Year's Day, it was not "I must go to work tomorrow." The Square Mile that participated in the smashing of the record FT-SE 100 index high on Wednesday was half deserted. Those who made it to work also saw most of the gains lost as London tracked Wall Street lower in the absence of significant UK economic and corporate figures.

While local publicans and restauranteurs waited in vain for their premises to fill up, analysts busied themselves listing the reasons for the initial rise. Shares traditionally do well in January, partly because institutions have money to play with. Some fund managers were also nervous of a repeat of 1989, when many of their number were left out of the early bull market. Caution in the wake of October's mini-crash has left many with more cash in their portfolios than usual.

Their confidence was helped by John Major, the Chancellor of the Exchequer, who pre-

dicted a reassuring new year exposition of the Government's view of the health of the economy and the share tips for 1990 from the press and securities houses. Then some retailers released figures suggesting that the pre-Christmas business had not been as dull feared.

Within minutes of the start of a new decade's trading, the

FT-SE 100 index was 20 points higher and flirting with the 2½ year old closing high. At the narrowest possible margin below that magic figure the market turned tail, perhaps abashed by its own audacity or fearful of the wrath of chartists.

Such inhibitions had been overcome by Wednesday. Encouraged by an upbeat survey in the Financial Times of

Much of the bull market of 1989, and especially after October's mini-crash, was attributed to a shortage of stock. Cautious marketmakers did not want to hold on to, or to go short of, blocks of stock. So a small buy order would leave one dealer desperate to re-balance his position. Trading volume remained low last year to the discomfort of securities houses whose income depends

partly on the level of trade. By contrast, Wednesday's and Thursday's volumes were well up on typical levels of 1989. This was reflected in a whiff of buying interest in quoted companies with marketing operations such as SG Warburg, Kleinwort Benson and Smith New Court.

Some analysts were caught up in the heady atmosphere and speculated on how much further the market might rise. Figures of 3,000 by the end of the year and 5,000 for the turn of the millennium were being bandied about. But if anyone entertained thoughts that only bulls had turned up for duty last week, they were soon kicked out of their reverie.

London's fall on Thursday and Friday was prompted by weakness on Wall Street. Since October, London has not tracked New York closely. But in the absence of much in the way of corporate profits news or economic indicators last week, the link was forged again. Falls in Tokyo did not boost confidence either, although London was reluctant to be as sanguine as the Japanese to Mikhail Gorbachev's cancellation of talks with foreign politicians.

A flurry of takeover activity did little to change sentiment. The Sandi Group Jameson made the decade's first hostile bid offering £151.3m for Hartwell, the Oxford-based motor, oil and property company. Jameson raided the market for stock through its broker James Capel and lifted its stake in the company to 22 per cent of the ordinary shares and 37.8 per cent of the preference shares. Hartwell said the 13p offer was "wholly unacceptable."

A similar reaction came from the board of Higgs and Hill, the construction group. It issued a defence document against a 410p a share offer from rival YJ Lovell and repeated its rejection when Lovell increased the offer by 6p a share yesterday. The

market was unequivocal in its response too, marking Higgs and Hill down to 44p, indicating it believed the new offer to be inadequate.

Even when all resistance to a bid evaporates, the going can be far from smooth, as BET, the conglomerate, found. Adia, the Swiss employment agency, threw in the towel in its battle for rival Hestair, which has recommended BET's £192m cash bid to its shareholders. But BET's share fall on the news, hurt by worries over a further diversification of the company's activities.

Two dismal sets of interim figures thrust chartered surveyors into unaccustomed limelight. City surveyor Baker Harris Saunders, suffered a sharp fall in profits from £1.33m to £605,000 on flat turnover. Savills, which also has an estate agency business and relies less on City property, revealed a 24 per cent decline in profit to £2.94m. Baker Harris' shares ended the week 37 lower at 78p, while Savills shed 60p a share yesterday. The

insurance sector did not fare well either. Shares had

been buoyed for weeks by talk of a "big bid." But the offer in the last week of 1989 for the unquoted UK insurer General Portfolio from the French insurer GAN, worth effectively £300m, was not big enough.

Insurance leaders showed dog

in their figure falls on the week.

Retailers benefited from

hope that Christmas trading

had been better than expected.

The quality stores remained

the most popular. Marks and Spencer ended the week 8% better at 210p, while persistent demand for narrowly held Body Shop pushed the shares

up 63 to 64p.

Analysts and marketmakers

finished the week in cautious

mood. "This year" January

bull market happened in

December," said one. There are no important economic or corporate figures due next week.

So when the rest of the City

traders return to work on Monday they are likely to find

themselves waiting for Wall

Street, or possibly Tokyo to

give them a lead.

Daniel Green

JUNIOR MARKETS

Big changes on the way

IT IS THE New Year — a season for shaking up the status quo, big changes in the organisation of the junior markets which are now looming come at a particularly timely moment.

The Stock Exchange's October consultative document on a restructuring of the markets is now thought to have met with general approval. So it is now widely expected that a unification of the Unlisted Securities Market and the Third Market, involving a reduction in the minimum trading record required for entry to the USM from three to two years, will shortly come into effect broadly as envisaged in the document. This has created the greatest uncertainty about the future of the USM in 10 years.

On the one hand, the USM may benefit from publicity associated with the changes. On the other hand, some fear that a merger with the Third Market, the arena for younger and smaller companies that has not commented the same respect, will lower the prestige of the combined market.

But all these doubts may be a little premature. The Stock Exchange expects the merger to be completed early next month. But its council has not yet endorsed the new structure, nor has a report on responses to the consultative document been submitted to it.

Perception of the new market's quality could have an important bearing on the volume of new issues launched on it if a matter of some concern given the dwindling numbers of would-be entrants in 1989, which fell to the lowest level since 1982, according to the accountant KPMG Peat Marwick.

Just 67 companies joined the market, against 87 in 1988, to raise between them a meagre £147m — less than half the previous year's £205m.

The decline mirrors the fall in the number of companies listing their shares on the main market as well — down nearly 80 per cent at 71, even after being boosted by the 10 separate flotation of the water utility.

The biggest sales take place in spring and autumn and neither Christie's nor Sotheby's would expect to know in January which valuable collections or individual items might come their way. Mark Shepherd believes it may be hard for the auction houses to match last year's *auvente mirabilis*.

"The long-term trends remain positive in that there's plenty of interest in art and plenty of money around," he says. "But I don't think I would necessarily be added to the auction houses at this point — 1990 might be a slower year."

Anatole Kaltsky

Aristocratic traditions in the auction houses

IF CHRISTIES International, the auction house, ever comes under the hammer, the bidders will have to negotiate with auctioneers of formidable diplomatic and political experience.

Christies' chairman is Lord Carrington, whose curriculum vitae includes the posts of UK Foreign Secretary and Secretary-General of NATO, and this week the auction house added a distinguished French diplomat to its ranks.

Emmanuel de Margerie, who retired as France's ambassador to the US before Christmas, is the new chairman of Christie's Europe, and will head the auction house's assault on the European market.

The presence of a titled ancien régime at the head of the big international auction houses is neither new nor unusual.

Sotheby's Holdings, Christie's main rival and the only

other quoted auction house, counts Lord Blenham and Lord Gowrie among its directors, and is advised by a board which includes Baron Hans Heinrich Thyssen-Bornemisza de Kaszon and Her Royal Highness The Infanta D'Orbigny, the Duchess of Badajoz.

But the urbane, aristocratic tradition epitomised by Lord Carrington, has been matched in recent years by the growth of a nouveau régime of art investors, particularly from Japan. The Chinese and Sotheby's both enjoyed record art sales — annual turnover of \$2bn and \$2.6bn respectively.

Mark Shepherd, an analyst with UBS Phillips & Drew, says the art market's buoyancy is, to a certain extent, self-perpetuating, and is now being fuelled by the sale of large private collections.

"What we have seen in the last few years has been a

relative run in profits and share prices: art prices have risen and that has encouraged people to sell.

There has also been a wave of new wealthy collectors and the auction houses have been gaining market share from the dealers," he says. "All those trends look set to continue this year."

You need a lot of pocket money to cash in on the art market's rise directly. Walter Annenberg paid \$40.7m for Picasso's *Au Lac* at Christie's' November sale. But small investors can vent their frustration in the stock market, where the performance of the two principal houses' shares has reflected the strength of the core business.

In effect, Sotheby's is still controlled by the investor group which took it private in 1983 after suffering the ill-effects of a worldwide slump in the art market. But since some

of its shares were floated in New York and London in May 1988, they have outperformed even Christie's, which was one of the strongest stocks on the UK market in 1989.

Christie's auction successes have also attracted larger investors on to its share register.

They include the art collector and Japanese businessman Yasumichi Morishita, whose Aska International art gallery bought 6.4 per cent of the UK auction house in September, and Michael Ashcroft's ADT which bought a stake of similar size in May. ADT's vehicle auction business is currently in the same league as Christie's fine art operation, but these sales have added takeover speculation to more fundamental factors buoying the shares.

Nonetheless, there are doubts lurking behind the euphoria. Both Sotheby's and Christie's shares suffered a

slump at the tail-end of 1989. Rumours of impending gloom in the art market began to circulate after a major New York auction by Christie's failed to sell a third of the lots on offer in November.

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But in general, analysts believe the art market will remain solid. From a stock market point of view, Christie's has proved in the past, notably after the stock market crash of October 1987, that auction house shares resist conventional pressures on equities. The business and its clients are

international and broadly unaffected by domestic squeezes on consumer spending.

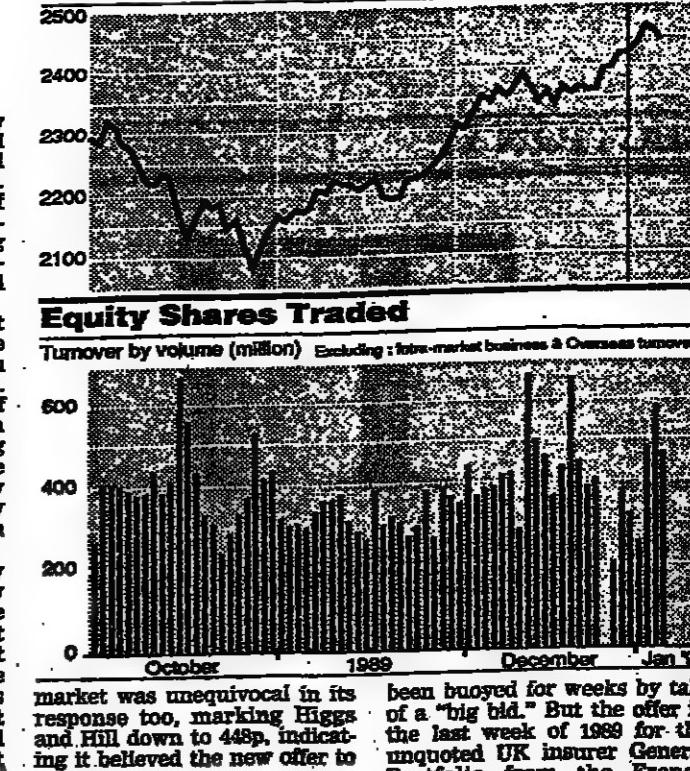
That said, this is a difficult moment to predict what 1990 holds for the two largest houses.

The biggest sales take place in spring and autumn and neither Christie's nor Sotheby's would expect to know in January which valuable collections or individual items might come their way. Mark Shepherd believes it may be hard for the auction houses to match last year's *auvente mirabilis*.

"The long-term trends remain positive in that there's plenty of interest in art and plenty of money around," he says. "But I don't think I would necessarily be added to the auction houses at this point — 1990 might be a slower year."

Andrew Hill

FT-SE 100 Index



Plan ahead for a ripe old (Third) Age

HOW SHOULD those in the Third Age invest their money? In theory they should have accumulated enough assets, or have enough income, to think seriously about providing for the future, especially with retirement looming.

For those who plan to continue working in their present job until normal retirement age, the obvious objective is to build up resources to supplement one's pension.

If you belong to a company scheme, one of the most efficient methods of supplementing your future wealth is to make Additional Voluntary Contributions (AVCs) to top-up the benefits.

Although the tax relief on pension contributions is only deferred, since you pay tax on pension income later, it can be particularly beneficial for the top rate payer. You get relief of 40 per cent tax now, but later you may be liable to pay tax at a lower rate when retirement reduces your income. By supplementing your company pension AVCs may also help you take full advantage of the tax-free lump sum alternative.

If you expect to have a high income when you retire, you may want to look at investments that will provide tax-free benefits, such as Personal Equity Plans and 10-year qualifying insurance policies. The disadvantages of PEPs are the restriction on the amount that can be invested each year and the fact that the bulk of the money must be put into UK equities.

The high administration cost of many PEP schemes means that charges tend to wipe out the income tax savings, except when they are used as a unit trust. But PEPs, should be a useful way of accumulating capital that is available tax-free at any time.

Qualifying policies, or maximum investment plans, lock you into making regular payments for a minimum of seven and a half years and the fund itself has to pay tax, so it is not really tax-free. For older people, the requirement that a qualifying policy must include life cover adds to the cost. Once the policy matures it is immune from any tax, although this might be changed soon.

If you want to retire early, it is worth first working out the sums. A rule of thumb

suggested by I.P.S. Lamont, the London intermediaries who specialise in investment for retired or near-retirement people, is to calculate the income you require to live and then add 10 per cent.

The argument for taking tax-free cash compared with taxed pension income is very strong. But what happens then? You can buy an annuity, but this is only worthwhile for older people, bearing in mind the cost.

The most popular solution is to pay off some or all of the mortgage. This makes sense if you have a mortgage over £30,000, as it costs more to borrow money than you can earn from investing. However, the granting of tax relief, at your highest marginal rate, on the first £30,000 of home loans distorts the picture.

For example, a high rate taxpayer would only be paying the equivalent of 8.7 per cent and you could almost certainly do better than that from a deposit account. The last thing you should do is to pay off all your mortgage immediately.

With the children off your hands, for example, there is no longer any need to save for their immediate upkeep. But you might wish to plan for their long-term benefit, by passing on as much as possible of your wealth without putting

A time for reflection

THE THIRD Age is just the time when you should be looking at your financial future most carefully. You could soon be leaving the safe cocoon of full-time employment and relying instead on your livelihood coming from your own resources for an indefinite period.

It is, then, a time when you have to reassess your financial objectives to bring them into line either with a change of lifestyle or simply to keep up to date with new priorities.

In the Third Age, a big change of investment strategy is likely to be needed.

The prime object is to maintain a regular flow of income, but it is equally important to protect yourself from the ravages of inflation, especially if you rely primarily on a pension. Your investment strategy

has to be adapted accordingly.

You might well not be able to take the same kind of risks as you did when receiving a monthly pay cheque because you will have fewer chances of earning replacement money if you incur losses.

At the same time, no-one knows how long they are going to live, so long-term planning has a large element of guesswork. However, short-term plans may assume a greater importance.

There are many other factors to be taken into consideration; and the earlier you start planning, the more flexible you can be. Everyone has seen those classic advertisements by insurance companies showing worried men realising the danger of leaving pension

provisions too late.

But those in the Third Age are not concerned just with pensions. They need to take a lot more into consideration: living in a new environment, generating a different source of income, and making provision for the future.

Often it is not appreciated properly that payment of inheritance tax at the full 40 per cent rate starts at the low figure of £118,000, which is usually more than accounted for by the value of your house. So, if you do want to pass on your wealth to anyone other than your spouse, provisions have to be made well in advance to nullify the effect of IHT.

Tax planning is particularly important in other areas, too. The introduction of independent taxation for married couples in April will, obviously, be a helpful development for many people in the Third Age — providing they plan properly.

The new personal pensions, and the sharp increase in the percentage of your income that can be invested in a pension at you grow older (up to a maximum of 40 per cent for those over 61), means that you can utilise the benefits of tax-exempt savings schemes later in life.

However, the limits on the maximum pension that can be earned, announced in the 1989 Budget, mean that many people will seek other options — notably, personal equity plans (PEPs), which have the great

advantage of providing income, and capital gains, completely free of tax on the way out. You don't need to have an enormous pension, or income, to find yourself paying the top rate of tax, whereas you can earn as much as you can from a PEP investment without worrying about the subsequent tax bill.

Without being ultra-gloomy, people in the Third Age also have to take into consideration that they are more likely to suffer from ill-health than the younger generation. From April, the Government is introducing a new tax relief on premiums for medical insurance for anyone over 60, with the relief going to the contributor (who could well be much younger).

Making a will to ensure that your spouse, or dependents, receive the full benefit of your estate in the way you wish is a crucial step, and taking out an enduring power-of-attorney at an early age might avoid considerable problems later on.

The accompanying articles in this week's Finance & the Family deal with many of the different financial aspects facing those entering, or already in, the Third Age.

They are not just confined to the over-50s. After all, today's Yuppies (Young, Upwardly-Mobile Professional Person) is tomorrow's Glam (Greying, Leisure, Affluent and Middle-Aged) — or Rip (Retired and In-the-Pink).



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◆ Europe — The Barriers Come Down

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The 1990s could well be the decade of diversification for investors. To find out more about Fidelity's proven performance, talk to your Independent Financial Adviser. Alternatively, Callfree Fidelity on 0800 414161 or return the coupon below for your free copy of Fidelity's International Investment views and recommendations.

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All Trust performance figures to 21.9.90, offer to offer, net income reinvested. Source: Micropal. Over 5 years: Special Situations Trust +306.8% and ranks No. 2; Japan Special Situations Trust +307.5%; South East Asia Trust +193.5%. Fidelity Investment Services Ltd, Member of TMBG and LAUTRO. Member of the UTA. The Fidelity PEP is offered by Fidelity Nominees Ltd, member of IMRG.

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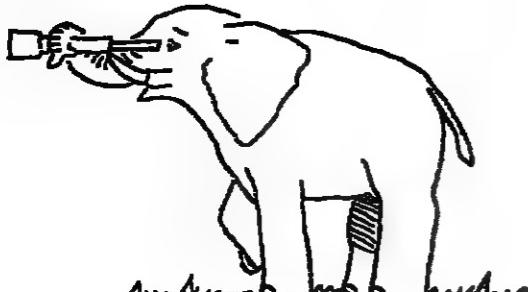
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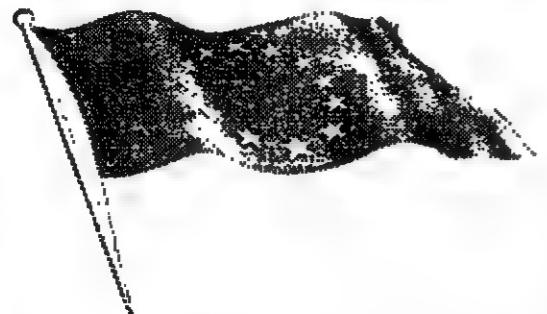
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FINANCIALTIMES
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FINANCE & THE FAMILY

Sara Webb on medical insurance for the elderly **Your friendly partner — the taxman**

If YOU run out of ideas for a 60th birthday present for your parents or relatives you might consider joining forces with the taxman to pay for their medical insurance. From April 6, the UK Government is granting tax relief on medical insurance contributions provided the policy covers someone aged 60 years or more. The relief is granted to whoever pays the premiums on behalf of the 60-plus person — so it could be the son or daughter or the insured.

The plans to introduce tax relief on medical insurance premiums could bring considerable savings for many elderly people. But you cannot afford to sit back on the assumption that you will automatically receive tax relief: you may need to change your policy if you want to make a substantial saving on premiums.

The tax relief, which was announced early last year, will apply to medical insurance plans — for example, of the type offered by BUPA and PPP — but not to permanent health insurance plans (policies offered to provide protection against loss of income as a result of prolonged sickness or disability).

Many people are under the impression that they will automatically qualify for tax relief; they won't. Andrew Grigg, a medical insurance adviser with SFS, has received many enquiries from people asking whether they can simply stay in their existing plans and have tax relief applied. In fact, if you want to be eligible for tax relief, take note of the following points:

■ You need to be in a specially-tailored — or qualifying — scheme. Most existing policies are not qualifying ones because they offer an "alternative cash benefit". This means that the policyholder is entitled to claim a sum of money if the medical treatment is provided free under the National Health Service. The aim of the medical insurers was to encourage people to use NHS hospitals in cases where there was no need to wait for that particular operation. They provided a substantial incentive by paying £20 to £30 a night.

The Government, which is keen to get people out of NHS beds and into private health schemes, would not countenance using tax relief to encourage schemes which pay cash incentives to people who use NHS beds. For, as the

process of gaining approval seems to be taking a long time, and some advisers have expressed concern that the smaller insurers might not be ready to start their new schemes in April.

■ Tax relief on qualifying policies will work in the same way as MIRAS on mortgages — relief at the basic rate of tax will be given at source to taxpayers and non-taxpayers alike. Higher rate relief will be given by the subscriber's tax office if appropriate.

Relief will apply to whomever makes the premium payments, so a son or daughter could reap the benefit of tax relief in providing cover for parents. However, the insured person must be aged 60 or over and resident in the UK. In the case of a married couple, at least one of the insured must be 60 or over.

The evidence so far suggests that the increase for older people has already taken place and that competition between insurance companies has ensured that younger people do not subsidise their elders to a large extent.

Jim Webber, of Tillinghast, says: "Companies which do subsidise the over-60s will find it uncompetitive." He points out that, in the past 12 years, the increase in premiums from one major company for over-60s has increased more than five times, whereas the premium for over-40s has increased by 2.5 times.

However, Andrew Grigg warns that the introduction of tax relief could cause complications: he advises people to check whether a new declaration is required.

Another consideration is that health schemes which cover the over-60s are bound to experience a higher incidence of claims. Grigg warns that this could lead to higher premiums for policyholders who belong to a bigger pool of premium-payers with a spread of ages.

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TOP & BOTTOM 25 AUTHORISED UNIT TRUSTS			
FUND	Offer to Bid performance over one year to January 1, 1990	Per- YIELD finance	FUND
Abtrust Far East Emerging Econ	0.04% 205.69	BIG Convertible & General	8.55% 93.20
Prov Capitol Emerging Asia	0.00% 195.81	Henderson Smaller Cos Dividend	4.87% 93.18
MIM Britannia Singapore ASEAN	0.00% 167.30	CCL Recovery	1.92% 93.10
NM Singapore & Malaysian	0.00% 182.22	Wardley Small Companies	1.40% 92.78
NM Japan Smaller Companies	0.00% 177.35	Lynden Capital Defender	0.94% 92.44
NM South East Asia	0.05% 177.35	Wardley Smaller Companies	0.94% 92.20
Abbey Asian Pacific	0.97% 176.61	Schroder Gilt	5.55% 92.20
Wardley Singapore & Malaysia G	0.10% 172.21	AEtrs Smaller Cos Dividend	5.50% 92.08
Royal Trust PPF Sing. & Malay.	0.63% 169.53	Cornhill Property Share	2.50% 91.93
Schröder Japanese Sa Co.	0.00% 169.33	Tynwald Smaller Companies	3.25% 91.31
Stewart Ivory New Pacific	0.82% 169.09	Waverley Australasian Gold	1.64% 91.21
BG Energy	0.32% 168.30	Windross Convertible & Equity	0.00% 90.38
NM Far Eastern Growth	0.19% 167.79	Royal Trust Fixed & Convertible	10.70% 89.95
Fidelity European	0.41% 168.33	AEtrs Smaller Cos Dividend	5.32% 89.75
Govett Pacific Strategy	0.41% 168.09	New Court Smaller Australian Cos	2.45% 88.64
Gartmore Pacific Growth	0.45% 168.05	MIM Britannia Smaller Cos	3.08% 88.60
Morgan Capital European Grth	0.45% 164.14	AEtrs Smaller Companies Growth	0.83% 88.17
Abbott Pacific	0.05% 162.83	MIM Britannia Smaller Cos	7.78% 88.41
Abtrust European Income	1.96% 161.93	GME Property Share	0.83% 88.00
Abtrust European	0.00% 161.71	Royal Trust Smaller Companies	2.25% 88.00
Lloyds Bank German Growth	0.13% 160.16	Simon & Coates Special Situations	6.25% 84.73
Equity & Law Europe	0.92% 160.00	Windsor Smaller Companies	1.86% 84.10
Dunedin Japan Smaller Cos	0.36% 159.79	British Growth	2.34% 83.71
Thornton European Opportunities	0.00% 159.66		

Source: MICROPOL LIMITED

Far East Emerging Economies is clear leader **Abtrust hangs on to title as leading unit trust performer**

THE TOP performing unit trust in 1989 was the same one that topped the 1988 list — the Abtrust Far East Emerging Economies fund.

It is believed to be the first time that a fund has been the number one performer for two years in succession. Indeed, according to Chris Pohl of Micropol, it is the first time an individual trust has topped their league tables more than once.

The fund was a clear leader with a gain of 105.69 per cent on an offer to bid basis, which meant you would have invested £1,000 in the fund at the beginning of the year would have grown to over £2,000 by the end of December. Abtrust had three other funds in the top 25.

Richard Luders, chief executive of Abtrust Management, says that one of the secret of the group's success is the mixture of views from the group's Aberdeen and London offices when making investment decisions. In addition Hugo Young, manager of the top Far East fund had done particularly well in deciding to increase the holdings in Thailand to 43 per cent of the total portfolio at present.

In fact Far Eastern specialist

funds dominated the top performing unit trusts last year, accounting for the first 11 places. Excluding Japan, Far East funds rose on average in value by 52.80 per cent and including Japan by 31.18. The average value of European funds was up by 43.90 per cent. However the average increase in the value of all unit trusts was only 22.18 per cent up, well below the 30 per cent rise in the FT All-Share index and 35.11 per cent for the FT-SE 100 index.

All the UK market sector funds failed to match the rise in the London market indices, possibly because of investments in the smaller companies that fared a good deal worse than their larger brethren. UK smaller company funds featured strongly among the worst 25 performers, with the worst performer of the year being the BG British Growth which was mainly fixed interest, technology and commodity funds. Worst of all was the MIM Britannia Commodity Share unit trust up only 6.1 per cent over the 10 year period. By comparison the FT All-Share Index was up by 63 per cent over the last 10 years and the Tokyo market by 1,432 in sterling terms and 568 in Yen. The average gain by all units over the past 10 years was 48.8 per cent.

Over a 10 year period the best performing fund was Fidelity Special Situations which has turned an original investment of £1,000 into £14,430. Once again Japanese and Pacific occupy most of the top spots in the 10-year league tables, while the worst funds are Australian, gold and technology. Target Australian was bottom of the table showing a loss of 7.92 per cent over five years to the end of December 1989 showing a gain of 454.15 per cent. Japanese and Far East occupy most of the top spots in the five-year league tables, while the worst funds are Australian, gold and technology. Target Australian was bottom of the table showing a loss of 7.92 per cent over five years to the end of December 1989 showing a gain of 454.15 per cent.

Worst unit trust sector was UK Gilt & Fixed Interest, which ended the year with an average loss of 0.76 per cent. Next worst was the money market funds sector with a tiny gain of only 3.73 per cent.

Taking the longer term view NM Japan Smaller Companies

John Edwards

The Week Ahead

First taste of water

INVESTORS not yet glutted with news of the 10 recently-privatised water companies will be able to drink their fill next week when nine of the new PLCs produce interim results.

Thames Water, largest of the 10, reports on Monday; Anglia and Welsh on Tuesday; North West and Wessex on Wednesday; and Northumbrian, Southern, South West and Yorkshire on Thursday. The odd one out, Severn Trent, is producing its half-way figures a week on Monday.

Coming so soon after the flotation of the shares, the interim profit figures themselves will have little significance. Analysts and shareholders already know what the 10 companies are forecasting for full-year profits and these results cover the period from April to September 1989, before privatisation. Just to make interpretation more complicated, the figures will also include five months when the former water authorities were carrying out functions now handled by the National Rivers Authority.

However, some company chairmen may use the opportunity to comment on the hectic first weeks of dealing in water shares, announce new joint ventures, or laud the benefits of privatisation. To add to the excitement, some of the water and sewerage businesses may now try to flesh out the beneficial owners of their shares by issuing notices to nominate shareholders under Section 212 of the Companies Act.

When TSB releases its figures on Thursday for the year ended October 31, keen interest will be shown in how the sixth largest UK bank makes provision for its severe cost-cutting programme. The plan, which calls for more than 5,000 job losses in the group's retail banking arm, was not revealed until November and hence may not affect next week's numbers directly. If there is no impact, pre-tax profits of £330m to £350m are foreseen against £242m last time. Retail operations are expected to continue to perform poorly.

Greg Hutchings, the chief executive of Tomkins, the

industrial holding company, will unveil a sound set of the interim results on Monday. The performances of Tomkins' two US subsidiaries, Murray Ohio, the bicycle and lawn mower group and Smith & Wesson, the guns manufacturer, will be of particular interest after intensified efforts to raise the contributions following their acquisition.

The City's pre-tax profits forecast fall between a range of £22m to £25m compared with £21.15 in the previous corresponding half. The City is preparing itself for a grim set of figures when Vain Polen International, the marketing group, unveils its preliminary results on Wednesday. Analysts anticipate a sharp fall in pre-tax profits for the year to September 30 from £14m to £7m.

The original base of VPI's business — its investor relations company in the US — is performing strongly. Its problems lie across the Atlantic in the Carter Organisation, the Wall Street proxy solicitation company acquired in 1987. Carter has been hit by the decline of merger and acquisition activity in the US. This autumn a US grand jury began an investigation into its affairs.

The Daily Mail and General Trust, which controls both the Daily Mail and the Mail on Sunday, announces its full year results on Thursday. In the six months to the end of March the Trust, which acquired the 50 per cent of Associated Newspapers Holdings, is still not profitable but had pre-tax profits of £18.8m. This figure however involved net exceptional credits of £16.2m.

Analysts are suggesting figures in the range of £50m for the full year before exceptional items are included.

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Eric Short looks at the options for those who leave before time

Retire early — and benefit

THE FACILITY to take early retirement is one of the keynotes of a company final salary pension scheme. It provides a form of flexible retirement on generous terms not available from the state scheme, and compares favourably with the much harsher terms from a money purchase arrangement.

The conditions under which early retirement benefits can be taken are set out in the trust deed and scheme rules, governed by the limits imposed by tax legislation and Inland Revenue regulations.

However, such conditions have been modified drastically by the pace of tax legislation in recent years. This means there are now three different systems in operation, depending on when the employee joined his company scheme.

In particular, these legislative changes affect the way maximum benefits on early retirement are calculated, and further changes could well result from cases pending in the European Court.

The changes in last year's Finance Act now permit a company scheme to allow an employee to retire on maximum pension from age-50 after only 20 years' membership. But companies are under no obligation to provide the maximum.

For most final salary schemes, the early retirement benefit will still be based on a pension of 1/60th of salary at or near retirement for each year of service reduced by a factor to make some allowance for the pension being paid early. This factor varies from scheme to scheme, but a fair average would be 3 per cent a year.

However, employees no longer need cold towels, personal computers and copies of the rule book, trust deed and recent Finance Act in order to calculate their benefits if retiring early. Under the Disclosure Regulations, they have the right to get this information on request from the pension scheme administration.

This should show not only the pension on the chosen retirement date, together with any temporary pension, but the maximum lump sum commutation and the consequent reduced pension.

Last year's Finance Act changes permit employers to be generous on early retire-

ment in particular cases such as redundancy, rather than providing maximum pensions for all and sundry no matter when they retire. And many company final salary schemes offset the pension payable against the basic state pension.

But the state pension is not paid before age-65 for men and 60 for women. In this case, those schemes that offset it pay a temporary pension under certain circumstances to replace the state pension until it becomes due. But this facility will no longer be available for employees retiring from 1990 unless the Government amends the 1988 Social Security Act.

These leads to the question of whether employees taking

Changes in last year's Finance Act let an employee retire on maximum pension from age-50 after only 20 years' membership of a scheme

early retirement should commute part of their pension for a cash sum, thereby cutting back a reduced pension even further.

If the employee is looking to set up his own business, then access to a tax-free cash sum will be useful, probably essential. But even if there is no immediate need for cash, it is with few exceptions — of financial advantage to convert taxable income into tax-free cash. If necessary, this can be used to buy an annuity which attracts less tax than the original pension it replaces.

An even more basic decision is whether employees retiring early should take an immediate pension and cash sum.

However, employees no longer

need cold towels, personal computers and copies of the rule book, trust deed and recent Finance Act in order to calculate their benefits if retiring early. Under the Disclosure

Regulations, they have the right to get this information on request from the pension scheme administration.

This should show not only the pension on the chosen retirement date, together with any temporary pension, but the maximum lump sum commutation and the consequent reduced pension.

Last year's Finance Act changes permit employers to be generous on early retire-

CERTAIN professions are more stressful or dangerous than others. The table below lists occupations where the Inland Revenue has agreed to a normal retirement age earlier than 60 years old. It applies to company schemes and Section 226 personal pension policies (for the self-employed) taken out before July 1 1988. Since then, under the new regulations, a minimum retirement age of 50 applies to all new personal pension policies, and for company schemes, where the employee has 20 years service.

Personal Pension Contracts

Early retirement ages approved by Inland Revenue

Profession or Occupation	Age
Air Pilots	55
Athletes (Who received appearance and prize money)	35
Badminton Players	35
Barbers	35
Brass Instrumentalists	40
Cricketers	50
Croupiers	50
Cyclists (professional)	35
Dancers	35
Divers (deep sea)	40
Film stars (part-time)	55
Fishermen (trawlermen)	55
Footballers (excluding Football League players)	35
Inter-Disciplinary Brokers	50
Jockeys - Flat racing	35
National Hunt	45
Martial arts instructors	50
Models	55
Moneybrokers (excluding managers responsible for dealers)	50
Moneybrokers (managers responsible for dealers)	55
Motorcross motorcycle riders	40
Motocross road racing riders	40
Motor racing drivers	40
Newscasters (ITV)	50
Nurses, physiotherapists, midwives or health visitors (female)	35
On-shore riggers	30
Psychiatrists	55
Royal Marine reservists (non-commissioned)	45
Royal Navy reservists	50
Rugby League players	35
Rugby League referees	50
Singers	55
Speedway riders	40
Squash players	35
Table tennis players	35
Tennis players (including Real Tennis)	35
Territorial Army members	50
Trapeze Artists	40
Wrestlers	35

Terry Dodsworth on the tax changes due in April

A bonus for couples

THE NEW rules on independent taxation, which come into force from April, will be of special benefit to mature married couples in the later years of their working life — the Third Age. This is because of the in-built bias of the independent taxation structure towards couples with substantial incomes, both from salaries and investments.

Each partner will have a personal structure of allowances and tax bands. As a couple they will, therefore, have the potential to shelter more of their joint income from tax — and, at this time of life, many married partners will have more funds available to shelter.

Their children will be off their hands, their savings will have built up, the wife might well have re-started work after several years off, and the husband will often be at the peak of his earning power.

The savings could come in several forms. Couples with substantial investments, and where the wife is not working, have an immediate potential gain. This is because, from April, wives will have their own tax-free personal allowance against which they can set investment income.

Under the old system, the married woman's earned income allowance could be used only against payment from employment. So, any investment income was liable to the husband's top rate of tax.

It must be remembered, however, that transferring the investment into the wife's name would achieve a maximum gain only if the income was untaxed in the first place — for example, from share dividends where tax can be reclaimed, government bonds, and certain offshore funds.

For couples where the wife is working and, therefore, using up her tax-free allowance, there will not be the same potential for sheltering unearned income. But there should be opportunities for lowering the total joint tax bill by using two sets of tax bands rather than one.

For example, if a husband's taxable salary, after allowances, is on the brink of the £20,700 threshold over which it will begin to attract a 40 per cent tax rate, it would be an advantage to transfer investment income into the wife's name if she was earning less.

Under the £20,700 threshold, the husband's earnings would be taxed at only 25 per cent; similarly, his wife could make, say, £15,000 from employment and take up £5,700 worth of unearned income before moving into the higher-rate tax band.

These figures are, of course, subject to any adjustments made in the coming Budget before independent taxation starts to operate.

Some women will have more incentive to work under the new rules. Previously, where the husband was already attracting a 40 per cent tax rate,

The impact of the new structure will be magnified for higher-earning married couples with incomes of more than £11,400. This is the earnings limit at which, under the old income tax system, allowances for pensions began to be scaled back. If a couple's joint earnings came to more than £11,400, their allowances were trimmed back by £1 for every £2 earned over that level, down to a minimum of the normal married man's allowance.

The new system, however, will allow both husbands and wives to receive £11,400 before their individual allowances are trimmed down. And once one of the couple reaches the age of 65, the husband is also entitled to claim the increased married couple's allowance — now amounting to £1,585.

These changes will make a considerable difference to many married couples who, in retirement, would expect to be receiving significant amounts of investment earnings. It will now be possible for pensioners to shelter much more of this type of income from tax by using the wife's individual allowance — provided husbands are willing to transfer investments into their wives' names when necessary.

The introduction of the £11,400 earnings limit for wives could also have far-reaching effects. It could encourage some of them to work. For couples with large-scale investments, it will become attractive for husbands to transfer significant amounts of capital to their partners; and some married women may want to take a proportion of their husband's state pension directly into their own account.

Under the provisions of the National Insurance retirement scheme, a wife can receive the difference between the single person's pension and the amount paid to a married man, even though the contributions may have been made by her husband.

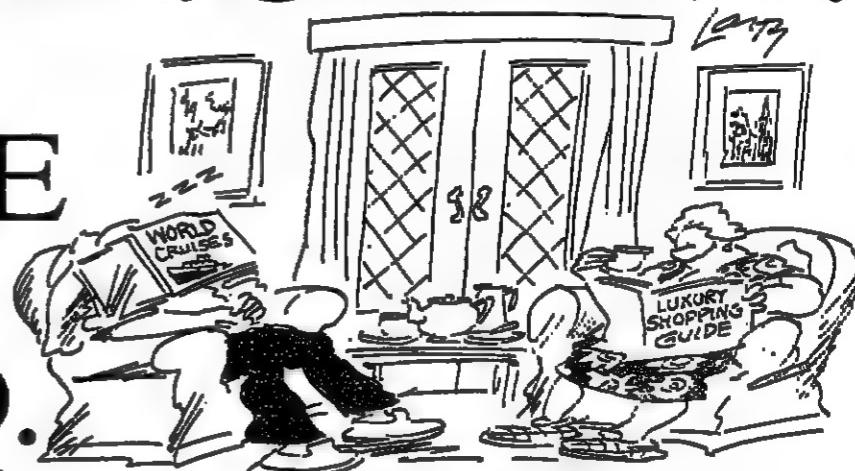
Couples could also gain from separate capital gains tax (CGT) allowances. Although the CGT exemption figure for 1990/91 has not yet been announced, it is assumed that the sum of the two allowances for married partners will be more than the £5,000 exemption now available to husbands only.

Indeed, some tax advisers are assuming that both husband and wife will have a £5,000 allowance. If this turns out to be true — an ambitious assumption — couples in this category could achieve a potential saving of £2,000 in capital gains tax annually.

Pensioners will gain from the new system in much the same way as other couples. But they will also have an additional advantage because of the higher allowances available.

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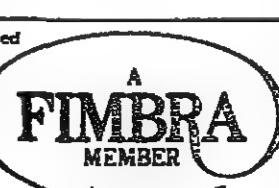
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EXPATRIATES

Think before you make that move abroad

IT IS a typical British wintry evening in January. Wind-lashed rain pelts the windscreen of your car, which is stuck in traffic. By the time you get home, your sole aim is a very large gin and tonic — except that there is no tonic and the local off-licence is closed by now.

Later, a washer on the bathroom tap — the one you've been meaning to replace for months — explodes and leaves a trail of a flow of water that refuses to stop. At times like this, you might think: "Wouldn't it be nice to live overseas?" Before very long, it becomes your Third Age ambition.

Often, a decision to live abroad is made — wrongly — on the basis that the grass must be greener on the other side of the hill. And although there are some parts of the world where damp January evenings are unknown, everywhere has drawbacks. You must be utterly realistic about this from the start.

If the urge to spend your Third Age abroad does come over you, make a list of the important things in your life and try to assess how you would feel if you didn't have access to them. Family and close friends are the most obvious, but there will be countless other aspects: perhaps West End theatre, First Division football, a pint at your "local" or the Lake District in spring.

If you remain determined to live overseas and have developed a clearer idea of where you might be going, a flood of questions will come tumbling

into your mind. They include:

- Climate. If it is very different to what you know, will you like or loathe it? Is the area subject to hurricanes or earthquakes? Are you prepared to accept the risk of such natural hazards?

- Language? Will you have to become fluent or can you get by with a combination of a few local words and a determination to speak very loudly, in English?

- Culture? Has the country had Anglo Saxon or European influence? Large parts of the Middle and Far East haven't.

- Religion. Is it important for you to have access to familiar places of worship and ministers of your own religion? Would you worry about being in a country where religious beliefs are alien to you?

- Politics. Are there the same freedoms of speech, political affiliation and travel to which you are accustomed in western Europe and North America? Is there a free press? Are there democratic elections for the

local people? If not, what are the underlying political tensions?

How powerful are the armed forces? Is there likely to be a violent change of government? If so, will you need to get out quickly — and be able to?

- Economics. Is the wealth concentrated heavily in the hands of a few? How will you be affected by local inflation, tax laws and the exchange rate with sterling?

- Crime. How are expatriates in general, and British ones in particular, regarded?

- Medical facilities. How do they compare with those at home?

- Education. If you have children of school age, is there good schooling in the country where you are re-locating? Should you leave them to continue their education in the UK?

These are some of the big questions. You won't be able to answer all of them but you should at least be aware of

them before you make your decision to go. And if you are married, many of them will be as relevant to your spouse and children as to yourself.

There are, in addition, many practical points to be tackled in a decision to spend your Third Age overseas, such as:

- What would you do with your UK home — sell it; rent it or leave it empty for your own occupation or return when its as well as the use of family and friends?

- What about your furniture? This decision is much less of a problem if you rent your property but, even then, may be items you do not wish to put at the disposal of strangers. Do you take these with you or store them?

- Do you need vaccinations before you go?

Then, there are your finances. What should you do with your savings and investments? How do you stand with the taxman? What should you do about the mortgage? How does the move abroad affect your pension and National Insurance contributions?

The priority issue before you go must, though, be accommodation. There can be nothing worse than arriving in a strange country only to find yourself in the middle of a bureaucratic muddle over where you are going to spend your first night.

Peter Gartland

□ Peter Gartland is editor of *The International*, the FT's magazine for expatriates.

Shares transfer to son

FOR SEVERAL of the UK Government's privatisation issues I have applied for shares on behalf of my son, who at the time was under 18. As he has now reached 18, could you advise me of the procedure to convert them completely to his name? And am I right in thinking that at that point they should be transferred to him as trustee?

Shares transfer forms are obtainable from business stations. All dividends paid on or after your son's 18th birthday should be entered in his tax return (and not in yours), regardless of whether the registration of the shareholdings is changed.

Shared assets

MY WIFE and I both have wills framed in like manner leaving one-tenth of our separate assets in trust to our grandson. We now have a five-week-old granddaughter whom we wish to treat in the same way. Would it be legal for my wife and me to make codicils to our wills to (a) leave a further one-tenth of our assets to our grand-daughter; (b) would this ensure that our house, held as "tenants in common" is exempt from Inheritance Tax; and (c) would it be necessary to seek the advice of a solicitor?

(a) What you propose is perfectly legitimate, and no doubt tax-efficient.

(b) You must first ensure that there is a tenancy in common; otherwise the gift may be ineffectual. If there is a joint tenancy at present you can sever it by a written, informal notice to your wife. Inheritance Tax will not be payable if the value of the house does not exceed twice the nil rate band limit current at the date of the first death.

(c) It is not necessary to employ a solicitor.

Provision for wife

I AM a 45-year-old man, widowed 10 years ago, with two adult children. Recently I married a widow who also has two adult children. Naturally I wish the bulk of my estate to

seller. Also remember that exterior paintwork and maintenance will tend to be more costly in many countries which have strong sun and drying winds.

The author lists sources of help and advice, but suggests being wary of the low-price inspection tours. "Be prepared to make trips under your own steam and see as much as you can, to make comparisons." Consider carefully the resale potential of what you might buy. And, perhaps most important of all, "don't make any irrevocable decisions until after you return home."

From major bookshops or Age Concern, 60 Pitcairn Road, Mitcham, Surrey CR4 9NE (inc p&p).

Audrey Powell

VENEZUELA
The Financial Times proposes to publish a Survey on the above on

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Q&A

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No legal responsibility can be accepted by the Financial Times for answers to questions. All inquiries will be answered by post as soon as possible.

manship.

Can we opt out of the contract, or do we have any other rights of redress?

If you have already exchanged contracts, the question of your rights to rescind it, or to require an abatement of purchase price, depends on the precise terms of the written contract. You should consult your solicitor as to this. Do not take any steps either to rescind or to complete without your solicitor's advice. Likewise, any renegotiations of the contract should be effected only with advice.

Faulty heating

I HAVE a coal-fired central heating system, installed five years ago, which recently became faulty. The Solid Fuel Advisory Service inspected the appliance and the engineer found that the flue pipe had not been fitted to specification. The guarantee has now expired, but is the contractor liable for correcting the defect?

If you can prove that there was a want of compliance with specifications as they existed at the date of installation, you may still pursue a claim against the contractor, but you must act quickly — any court action must be started before the expiry of six years after the date of installation.

New house problems

WE ARE in the process of purchasing a new house from a building company and are experiencing the following problems:

(a)

proposed

change

in

the

site

plan

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devalue

our

estate

by

about

20

per

cent

because

the

builders

are

now

proposing

to

build

three

small

houses

on

the

opposite

side

of

our

road,

instead

of

the

luxury

executive

type

of

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(b)

The

house

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IT IS NOT only policemen and soldiers who seem younger these days. The same applies to university dons, bank managers, Wimbledon champions and east European leaders. There is also a whole group of people involved in an activity that used to be restricted to those who were 10, or even 15, years older: namely, retirement.

You will note I refer to it as an "activity". For one thing, the age of 50 is now quite a watershed. Major tax advantages for early retirement come into effect then. And, with today's improved health and longevity, you can argue that your adult life is only halfway through.

I am also regarding retirement in the most positive way. Not as an excuse to watch the snooker or prune the roses but as a change in direction, a fresh start, the beginning of a new career. After all, the United Kingdom has only had one prime minister this century under 50 (Harold Wilson was 48 when he took office in 1974). At 50, Darwin published his *Origin of the Species*, Sir George Gilbert Scott designed St Pancras railway station in London, and W. G. Grace played cricket for England.

The favoured course for people retiring at 50 is probably self-employment. But, if you feel a change is necessary, you might give thought to starting afresh as an employee. It is not unusual for those who have built a successful career to be approached by rival firms to transfer their skills. Similarly, there are many examples of people who feel that because their efforts have not been recognised enough by their present employer, they should look for another job before it is too late.

That last category might be the only area in which age actually could present a barrier, as some employers prefer either to take on someone younger with similar experience (if such a person can be found) or to move an existing "home-grown" staffer into the job.

Until last year, there was a further problem, with such changes of job. Pensions, accrued over many years, could not be transferred easily, with the result that an existing fund would be frozen until normal retirement age. Furthermore, the usual 10 or 15 years with the new employer would not be enough for the value of the new pension fund to grow to a desirable level.

What, then, are the opportunities and problems if you set out on your own at age 50 or

Banker Roger Bardell argues that early retirement is no excuse just to watch TV and prune the roses

Why the good life really can begin when you're 50



thereabout? First, the disadvantages. Inevitably, there will be a degree of uncertainty. That happens, of course, at any age if you decide to start your own business. No longer is the regular salary assured and, however well the business plan has been thought through, it can be upset by the unexpected; indeed, you can be sure that something unexpected will happen. But older people are more likely to be averse to taking risks — far from it, though the middle-aged often have more money to lose.

Questions about energy and stamina are also likely to be posed. It should be remembered, though, that most top business people are middle-aged. On the other hand, prolonged sickness for a self-employed person can spell disaster, so I would certainly recommend a thorough medical check-up before starting, and at regular intervals thereafter.

Most important, however,

insurance should be arranged to cover loss of income through inability to work. That form of insurance is now called Key Person Cover.

A business bank account will be necessary, and you might choose to keep that at a separate bank or branch from your personal banking. I suggest, however, that you explain this to your new manager.

As a bank manager, I have been approached occasionally by middle-aged men claiming to have had a most successful career either as an employee or self-employed — but also saying they had never had a bank account. If you really want to arouse the suspicions of your manager, that surely is the approach to adopt. Banks are as keen to do business with people they don't believe as they are to run self-service open days in their cash safe.

Now, what about the advantages our 50-year-old could have as a potential business man or woman? The most fa-

voured activities seem traditionally to include the village pub or country hotel with their ready-made social lives and continual opportunities to meet new people.

It has always seemed to me, however, that while heavy commitment is vital for any business success, the horrifically long working hours associated with that type of enterprise rule out any separate personal life whatsoever. But I am quite prepared to accept that some people are more than happy to make a profession of being gregarious.

The best advantages of middle-aged people are experience and cash. Experience speaks for itself. Those who have passed through 30 odd years of reasonably successful adult life should be expected to have learnt a great deal. I am sympathetic to a wonderful new euphemism from the United States which describes older people as "chronologically gifted."

Roger Bardell, himself in his late 40s, is divisional manager of Lloyds Bank small business services

By the time our potential business people have reached their 50s, there is also a fair chance they will have accrued some capital. Major drains on income — like children, first homes and sporty motor cars — have, generally, passed.

Although it is part of our financial mythology that building societies attract most of their deposits from those saving for their first house, the truth is that the bulk of their funds arrive in larger parcels — with some two-thirds of the total held by people over the age of 45.

Even in cases where attempts to put aside cash savings have not been successful, there is a possibility that wealth will have been built up. Owning a home, for example, will have brought benefits in two ways — first, from the increase in value over the years and, second, from the reduction in the mortgage.

Banks generally regard home ownership as a sign of financial prudence and solidity and it can provide potential lenders with useful security — always assuming there is a means of repayment. At the least, someone who owns a residential property will not risk it unduly by the reckless use of borrowed money. Nor can he disappear if things start to go wrong.

A combination of knowledge and capital built up over the years gives the middle-aged some advantages when starting their own businesses. Research suggests there is less chance of failure, too. There is evidence from both the academic and the sporting worlds that the levels of commitment from mature students and veterans are very high indeed.

The Japanese have a concept called Mon and Poy Shop. In the main, they are run by older people and specialise in very small portions of groceries. While Britain does not have quite the same pressures on space, there might be scope in the UK for such a niche as a reaction to the out-of-town supermarket.

Meanwhile, if you don't believe that the age of 50 is only the half-way point in your life, remember that Monteverdi wrote his most daring and influential works (*L'incoronazione di Poppea*) in his mid-70s. Monet started painting water lilies at 78, and Lloyd George married his secretary at 80 ...

Now that his retirement is only seven years away at most, he sees his part-time activity as an asset which is ready to be cranked up into a flourishing and profitable central

Roy Hodson meets a broker who loves diamonds

From stocks to rocks

ENDING A LONG career in a busy and rewarding occupation can be rather like falling off the edge of the world. Suddenly, all is strange and there are no fixed reference points in life.

A small number of prudent people, like 53-year-old stockbroker Ian Norrington, start planning early. And, wisely, they include their families in any long-term strategies.

Norrington is a director at Kleinwort Benson, in the City of London, where he is head of European equity sales. He has a wife, Brigitte, two children aged 17 and 15, and would normally expect to retire at 60.

After national service — where he served in the Royal Navy as a sub-lieutenant during the Suez campaign in 1956 — he went to work for the South African diamond company De Beers. He stayed there for 20 years, learning about precious stones in all their facets. Norrington recalls that the high point was the opportunity to work on the bench in Amsterdam for a year, learning how to cut and polish stones from the rough.

Years later, when settled in London with a young family, Norrington decided that his knowledge of gems, and Brigitte's skills as a saleswoman, might form the kernel of a business in their spare time. But he confesses that his real motivation even then was his enduring fascination with gems.

In 1977, the Nortingtons began having a small number of jewellery pieces made up (with good stones providing most of the value of each one) and sold them direct to the public. They turned over £23,000 in their first year.

Since then, their cottage business in fine jewellery has grown slowly and cautiously. Turnover was up to £66,000 by 1983 and touched £80,000 last year.

Profits have not usually been higher than 10 per cent of turnover, so, in business terms, the venture is not yet big enough to support even one person on a full salary. But quick profits have never been the Nortingtons' aim.

Now that his retirement is only seven years away at most, he sees his part-time activity as an asset which is ready to be cranked up into a flourishing and profitable central



Ian and Brigitte Norrington: a glittering future?

London business.

The Nortingtons have built up a loyal customer base, both by word-of-mouth and offering good value for money. As their overheads are absurdly low compared with the West End jewellers' shops (they work out of a tiny showroom-cum-office on the fifth floor of a building in Jermyn Street, where customers visit by appointment), their prices are about 25 per cent lower.

Norrington likes to start a transaction by discussing the sort of piece a customer is interested in buying. He will then show a selection of gems and quote a price. Apart from the value customers place on such a personal service, he says it is the only practical way he can work without incurring enormous overheads.

Most of his City lunch hours are spent scurrying between diamond houses and the jewellers' craftsman of Hatton Garden and Clerkenwell. Although his most expensive piece of stock at present is a sapphire and diamond bracelet worth £6,000, his total stock at any one time amounts to only about £80,000 in value. His aim

is to "grow the stock" well within the limits of his turnover without incurring big bank loans.

"Diamonds are my love and what I like best," says Norrington, who buys his stones from Antwerp and English importers and trusts his own judgment. That is the single crucial skill which singles him out from the crowd, and it means he probably does have the key to a successful full-time business when he decides to leave stockbroking.

Brigitte, who is in charge of the showroom most of the time, has become knowledgeable about the gems trade after being married to Ian for 21 years.

If and when they allow fine jewellery to become the mainstay of their working lives, their business probably will be centred upon a modest shop in the City. Already, he is known almost as well among colleagues for the jewellery he can supply as for the equity shares in which he deals.

Ian Nortington Ltd, 114 Jermyn St, London SW1Y 6HJ (tel: 01-839 4702).

Bridge

two and was careful to win with his queen — far-seeing and intelligent move.

He switched to diamond bridge, which won (East throwing the six), and followed with the eight. West ducked again, certain that East's six was the start of a peter. Dummy's nine won and a third diamond lost to the ace.

Unable to play a spade, West led back the three of hearts and the ace won. On this, declarer followed with his 10, West will be locked in hand, making only eight tricks.

In another hand from rubber bridge, I was playing with my favourite partner:

W E
Q 9 8 4 2 10 6 2 9 3 5 3 4 3 9 5
K 7 3 10 6 2 9 4 3 8 4 3
A 5 Q 6 A K J 8 A Q J 10 6

West made two heart tricks but was forced to lead away from his spade king. Whatever he did, he could not prevent the declarer from reaching dummy via the knave — see why he won? West's opening lead with his queen? This fine technique brought home the contract.

With North-South vulnerable, North dealt and East opened the bidding with three clubs. South doubled, North replied with three diamonds, and South's bid of three no-trumps ended the auction.

Unable to lead his partner's suit, West opened with the spade seven and South considered the position. His plan formed, he played dummy's

held one ace and three kings, I jumped to seven no-trumps.

West led off with nine of spades and I won with my ace. I know that the slam can be made by finessing the knave of spades but I am sure that none of you would opt for that line.

I cashed four rounds of clubs, throwing a spade from dummy. West threw two hearts and East one diamond. I cashed the spade king (East dropping the 10), crossed to my queen of hearts and made my last club, on which I threw a diamond from the table.

West threw a spade and East threw a second diamond. At this point, East cannot guard diamonds. When the ace and king of hearts were cashed, West could spare one spade but then had to throw a diamond.

Now I knew that the diamonds were 2-2, so I ran ace, king and knave for the slam. Better technique than relying on the spade finesse, and much more fun.

E. P. C. Cotter

two F. C. Cotter

and was able to win with his queen — far-seeing and intelligent move.

He switched to diamond bridge, which won (East throwing the six), and followed with the eight. West ducked again, certain that East's six was the start of a peter. Dummy's nine won and a third diamond lost to the ace.

Unable to play a spade, West led back the three of hearts and the ace won. On this, declarer followed with his 10, West will be locked in hand, making only eight tricks.

In another hand from rubber bridge, I was playing with my favourite partner:

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K 7 3 10 6 2 9 4 3 8 4 3
A 5 Q 6 A K J 8 A Q J 10 6

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Q 9 8 4 2 1

Caught in the middle of life and style

IT IS an old truism that Britain has enough housing, but that too much of it is in the wrong place. In the 1990s there is a new truth to weigh against the theoretical oversupply of homes: the existing housing stock simply does not fit the changing households of the decade.

In terms of conscious planning, such efforts as there have been to meet the housing needs of an ageing population have tended to concentrate on the elderly. That is understandable, given that there are 8.5m people aged 65 years or older at the start of the 1990s and that this group is projected to swell to beyond 12m by the end of the century.

As the number of those pensioners aged 75 or over within that total is expected to rise from 3.3 to 3.9m in the same period, every forecast for housing demand in recent years has pointed to a need for an extra 26,000 units of sheltered accommodation each year. These would accommodate existing homeowners trading down to more easily-managed property with some degree of on-site care. Additionally, there is a demand, on a similar scale, for rented sheltered flats and houses.

In practice, fewer than 4,000 purpose-built sheltered homes for sale were completed in the whole of the 1980s, and the current output runs at no more than 10,000 a year. Cash constraints have cut the provision of local authority and new town authority retirement properties for rent from more than 15,000 units a year at the start of the 1980s to under 8,000 a year now.

On that front, therefore, apparent demographic pressures and actual housing market response are way-out-of-line. Yet that is a mere detail compared with the imbalance between the existing housing stock and the current pattern of new construction and the demographic changes caused by the arrival of Britain's middle-age spread of population.

The movement of the immediate post-war "baby bulge" generation through the age ranges means that the 1990s is the era of the 45-to-55-year-olds. In absolute terms, Britain starts the decade with 9.5m people in this age range and is expected to finish it with more than 11m.

That increase alone would imply some change in the balance of housing demand. However, when it is combined with progressive shifts in the patterns of social and economic activity, it foreshadows as profound a change as the more widely publicised growth in the number of elderly homeowners.

But this is a change with a difference. The people of Britain's middle ages are far more likely to translate their theoretically different housing needs into actual demand for homes

that fit their lifestyle. In contrast, the elderly have proved to be reluctant buyers.

While demographic logic shows the case for a substantial increase in the availability of housing that is better suited to the declining physical capacity of older occupiers, few of those older occupiers care to hear it. The fixtures of existing neighbours, of a mature garden, or of a familiar house, however ill-adapted it may be to the frailties of age, tend to have countervailed the generally poorly-marketed appeal of a sheltered home.

The sector of the housing market has failed to match its evident potential thus far in part because of sheltered housing's residual aura of institutionalisation. It has also been dogged by the unfortunate image created by high-density housing built by non-specialist developers whose price tags have been to pack 'em in and stack 'em high around a forbidding communal lounge in order to reap the highest sales yields from the smallest site sizes. The result is that sheltered housing has tended to be bought by people at the upper end of the age ranges, with sales leaning heavily upon demand from widows in their mid-70s and above.

Until developers start to think more in terms of "serviced" rather than "sheltered" accommodation, it is difficult to see what will succeed in cracking older homeowners' resistance to making that final trade-down.

There is no such resistance to change among the growing number of middle-age owners. Self-evidently, it is no so much the increase in the number of owners aged over 45 that outpaces so much of the current housing stock as the changes in living and spending patterns of these middle-agers.

Socio-economists have conjured up a mass of nicknames for this Third Age that lies beyond youth and family formation periods and before acquiring either the proverbial wisdom or the pragmatic aches and pains of old age. These are the "empty-nesters," households whose dependent children have grown and left the family home. They are also, in advertising-speak, the "Glammeries" (Greying; Leisurely; Affluent; Middle-Aged Spenders) or "Woopies," (Well-Off Older People). They do, in a nutshell, have real spending power.

As much as 80 per cent of all personal wealth in the UK is now property-related, and a disproportionate amount of that is in the hands of middle-aged people. This age range includes owners who joined the housing market in the 1950s and 1960s, when the average mortgage was less than £3,300. Even allowing for subsequent trading-up of homes and increases in the loans to finance those moves, that early start means that the

over-45s are most likely to have historic mortgages on properties that have risen in value by an average of 100 per cent since the early 1960s.

The wealth effect of having this depth of residential equity is a key factor in the creditworthiness of the middle-aged and in their capacity and willingness to be the heavy spenders of the 1990s. Empty-nesters with high net housing worth, with greater disposable incomes following the departure of their children and with an age profile that makes them prime beneficiaries of the £2bn a year of inheritance money received on the death of a surviving home-owning parent, have all the potential to be one of the

most important break in the pattern of peoples' lives as divorce. Some 10,000 people reach state retirement age each week in Britain, but the number of people retiring early has risen to nearly 2,500 a week. Retirement drives the average person's leisure time up from 25 to around 80 hours a week, may well sever locational ties and would certainly involve any owner of an under-occupied home to include its possible resale value in any review of his or her financial position.

In the 1980s the middle aged became increasingly health-conscious; assuming that extends into the 1990s, the appeal of properties with swimming pools, with sports and health spa facilities and properties close to golf or marina facilities will increase. The seriously wealthy can bolt such active sports areas on to their own homes; for the rest, that leads towards the kind of high-quality apartment blocks and secure, self-contained estates that are commonly mistaken as ideal homes for the younger executive market.

It is the Woopies, not the Yuppies, who have the buying power to become the occupants of the newly-built serviced apartment and marina developments in the '90s. For the next decade or so there is a sufficient trail of younger people with growing families in the population to provide a market for these Woopies' outgrown nests so that they can encash the accumulated equity in their properties.

Age brings a greater awareness of household running costs, and even with higher disposable incomes and greater savings there is no reason to assume that the middle aged population will be unduly keen to waste any buying power on an inefficient home. That underlines the premium value of well-designed new homes where the heating bills are minimised and where the new owners do not have to face years of amateur adaptation, repair and maintenance work.

Early retirement also opens the option to beat the British weather for part - or, indeed, all - of the year by taking advantage of the progressive integration of the European Community and move to a home in summer climes. Even the suggestion of future restrictions on buying second homes Britain increases the appeal of an apartment on the Costas or a Manoire in France.

On the first rung of the housing ladder, new homeowners tend to buy what they can afford, pretty well regardless of its quality. It is those young first-time buyers who provide the main market for the most delapidated of older properties and who are willing to accept the most basic of modern housing "boxes" if the price is right. At the other extreme of the age range, the choice of purpose-built

houses or flats is becoming just

dominant forces in the housing markets of the 1990s. But that potential will be as latent as that of the elderly retired if they merely stayed in their empty nests.

Divorce, early retirement and such diverse factors as health, climate, energy consciousness, European economic integration and even education and fashion all act as pointers towards a far greater turnover of homes by the middle aged.

One in three marriages now ends in divorce, and the middle aged are beginning to overtake young married couples as the people most likely to break partnerships. Only around half of divorced people re-marry or reform a joint household, so each year some 50,000 empty-nesters move out of their family homes and into individual houses or flats.

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DIVERSIONS



SUCCESS STORIES IN THEIR THIRD AGE: SIX WHO SHOWED THE WAY

Anthony Trollope (1815-1882) was employed in the Post Office and found fame as a novelist aged 40 with the publication of *The Warden*

Luigi Pirandello (1867-1936) was a lecturer poet and short story writer. He turned to playwriting at the age of 50 and his *Six Characters in Search of an Author* did not appear until 1921 when he was 54.

Sir Francis Chichester (1901-1972) was an amateur aviator who flew solo from England to Australia in 1923-30. But he is remembered as the man who sailed Gipsy Moth IV single-handed round the world in 1966-67, aged 55.

Benjamin Franklin (1706-1790) from Massachusetts started life as a printer and journalist. He began his researches into electricity at the age of 40 and crowned his career at 70 as a successful diplomat and later Minister to France.

Minna Keal, London, composer, wrote her first symphony at the age of 76 and heard its premiere at last year's Promenade Concerts when she was 80.

Heinrich Schliemann (1822-1890), the German businessman and linguist extraordinary who retired early to make some of the greatest archaeological finds of the age. He started excavating Troy at the age of 55 and in 1876 opened the royal graves at Mycenae, declaring (optimistically as it proved) "I have gazed on the face of Agamemnon."

Portfolio Man: winners and losers

IT HAS never happened before. Never before, in any society, have there been so many able-bodied people around for so long in what is coming to be seen as the third phase of their lives. This is the phase that comes after the first two of learning and of career and/or parenting, and before the final one of full retirement and dependency. For many, these days, this third phase starts at 55 or even earlier and will continue well into their 70s. It could be 25 years in all, a good quarter-century — or, for some, a bad quarter-century.

The numbers are startling. At the end of the century nearly 20 per cent of the entire UK population will be aged between 55 and 75. These people are not the stereotypical "elderly" of previous generations. The majority will be healthy and active and independent. The fourth phase, if it comes at all, comes later, now and is shorter for most.

This is all new. We used to be employed for longer and die earlier. Pension schemes were calculated on the basis that many died within a few years of leaving employment. Retirement meant precisely that — a retiring from activity to sit out the years before death. There are therefore no precedents, no role models for this new generation. It is an invitation waiting to be picked up.

Some still think that it will not happen, that the drop in the teenage population will mean a shortage of labour and a new need to keep the "oldies" in the workforce. They are wrong. The shortage of teenagers

ers

is there all right, but ahead of them is the baby bulge of the mid-20s with 30 years or more of working careers ahead of them. In fact the potential workforce is set to grow by almost a million in the years ahead. We won't need the over-50s when there is still a lot of the under-40s, unless the over-50s have something very special to offer. Organisations, in fact, are likely to see their core work force get younger rather than older, with fewer people working the harder careers will more typically last for an intense 30 years, not a leisurely 45.

What, then, will this new generation of the Third Age be doing? What will they buy, which way will they vote, what care and what resources will they need? These are the questions which today face society, and anyone who is there all right, but ahead of them is the baby bulge of the mid-20s with 30 years or more of working careers ahead of them. In fact the potential workforce is set to grow by almost a million in the years ahead. We won't need the over-50s when there is still a lot of the under-40s, unless the over-50s have something very special to offer. Organisations, in fact, are likely to see their core work force get younger rather than older, with fewer people working the harder careers will more typically last for an intense 30 years, not a leisurely 45.

One thing only is certain: that there are no typical answers, because there is no typical Third Age person. Some will be healthy, wealthy and well-skilled, with property paid off, a pension secured, garlanded with qualifications and reputations. Others will be without health, wealth or skills, with only "the welfare" to fall back on and even the pub too expensive a club.

The fortunate ones have a choice. They can continue to work as self-employed experts, selling their skills and their experience back to the kinds of organisations they used to work for. Or they can do something completely different, making a new life out of this

new age. One way or another they will be "portfolio" people, with a portfolio of different bits of work or activity, different clients or communities, and different interests. They will not be "retired," except as a 30-year-old tennis player "retires" from competitive play but not, one hopes, from life. Their finances will rest on four pillars (to use the phrase of the Geneva Association) of an occupational pension, a state pension in due course, personal savings and

their lack of technical skills, and that part-time work for their age group is something desired and not resisted.

If this part of the population is not to be condemned to 20 years of emptiness we shall need to consider urgently how best to give them the means, the structures and the skills that will allow them to participate more fully in society and to enjoy the potential of the Third Age.

The challenge and the ques-

they will not be savers but net disposers of income.

Their preferences will swing

the high streets away from their past preoccupation with youth. Many in the Third Age are likely to be less concerned with public recognition and achievement than with personal fulfilment. The care of others, respect for nature and the environment, a resurgence of religion: these may be some of the hallmarks of at least part of the Third Age, but so too may be an entrenched conservatism, a resistance to change and a desire to cling to things past. The people of the Third Age will never be neatly classified, because it is a time made for individual differences, a time for variety to flourish and for personalities to blossom. That account on individualism just might be the most infectious of their habits.

What to do and what to live on will not doubt be the most immediate preoccupations of those entering the Third Age, but the most difficult decision may turn out to be when and how to die. No-one will enjoy the Fourth Age, nor will anyone enter it willingly. Before long we shall have to turn our collective minds to this most difficult of questions. In the meantime, the best and cheapest solution for society is to keep as many people as possible lively and self-supporting in their Third Age. For that to happen we need to start planning now, both as individuals and as a society.

■ **Charles Handy** is Visiting Professor at the London Business School and author of *The Age of Unreason*.

Cartographer of a future crisis

PETER LASLETT is 74, and it was appropriately late in life that he took up his research into the ageing of populations and the consequences for society. Some of the results appear in *A Fresh Map of Life*, a guide to a phenomenon peculiar to western nations of the late 20th century but one which, he says, will eventually affect the whole world. For him ageing is "the most important of all developments in the history of population and social structure."

Laslett was born into a Baptist family and has carried the spirit of non-conformity into his academic career, challenging the conventions of the British university establishment, exposing a number of historical "facts" as myths and suffering the counter-attacks. Politically, he is a Labour supporter but no Marxist.

He is Fellow of Trinity College, Cambridge — surely one of the most elite communities in the world. Laslett says that he is fired by elation. It is not just affection. Much of his extra-mural life has been spent campaigning for popular knowledge and popular understanding (if of the higher sort), and he says he feels strongly the civic responsibility of the English philosopher John Locke based on the discovery of the remains of Locke's own library. For some time afterwards, other academics found it hard to believe that there were not two Cambridge Lasletts. Now they are having to come to terms with a third: the historian with the perspective to explain to us collectively the meaning of our middle age.

■ **Weidenfeld & Nicolson, £16.95.**

Christian Tyler



Tony Andrews
Peter Laslett: personal experience of a change in meter

The Middle Ages of Britain

CONTINUED FROM PAGE 1



went up a startling 36.6 per cent in 1988-89. Wiser employers have refused to join this auction for school-leavers and have changed their entry rules instead. British Telecom announced this year that it would take apprentices up to the age of 41. British Rail is taking people up to the age of 46 for training as engine drivers.

Tesco, the supermarket chain, is advertising for people over 55 and now takes them up to the age of 69. Another big chain store, B&Q, the do-it-yourself retailer, opened a shop in Macclesfield, Cheshire, staffed entirely by people over 50. Janet Rubin, the company's personnel director, said 600 applied for the 60 vacancies. There was, she added, much lower staff turnover at that age (some shops have a turnover of 100 per cent a year) and their attitude to customers was better generally.

There are equally big implications for public policy: the cost to the state pension system, for example, and the redesign of employment and training schemes. Although no worker shortage is forecast, some experts are worried. At a time when the country might need them to stay longer in paid employment, people are becoming ever-keen to retire early. There are also doubts as to whether Britain can find

already-big slice of the electorate.

If it means anything, the ageing of Britain means the end of the youth culture that has dominated commerce, business and show business since the 1960s. It implies not only a change in corporate strategy and the labour market but, more interestingly, a revolution in attitudes and values. At all ages, people resent the question: "How old are you?" because they instinctively know the correct answer: their calendar age, is a bad description of them. It is the age they feel (or look) that counts. When celebrities like Joan Collins and Tina Turner can flaunt their bodies cheerfully at 50, perhaps it is time to re-think the age limits for everything else as well. London, author of a coming book on older women, says: "We don't want to look like little girls at 20; we don't want to be considered yesterday's news."

Those who have studied the question say substituting subjective age for calendar age could be one of the best ways of dealing with the problems that the ageing of the population presents, such as the shortage of new teachers at one end and the cost of the state pension at the other. But that requires us to re-examine assumptions about age and ability. Does the fact of the population getting older mean it is getting less productive? Is the first half of life really a preparation for the second?

One person certain it wasn't C. G. Jung. In *Modern Man in Search of a Soul*, he wrote: "Thoroughly unprepared, we take the step into the afternoon of life; worse still, we take this step with the false pre-supposition that our truths and ideals will serve us as hitherto. But we cannot live the afternoon of life according to the programme of life's morning. For what was great in the morning will be little at evening, and what in the morning was true will at evening have become a lie..."

For a young person, it is almost a sin — and certainly a danger — to be too much occupied with himself; but for the ageing person it is a duty and a necessity to give serious attention to himself.

There is a kind of paradox that many of the policy decisions affecting the old (compulsory retirement or redundancy, for example) are made by people — government ministers or directors of large enterprises — who are themselves just as old. As the

select committee said, age discrimination would soon wither if those in charge of policy bothered to look in the mirror.

This paradoxical behaviour highlights neatly what is perhaps the most interesting question: whether our whole picture of youth and age will be changed. If politicians, senior civil servants and businessmen do not feel too old at 50-plus to take on big new responsibilities, why should anybody else be considered past it?

Attitudes to age are not justified by the facts, according to Peter Laslett, who has written in statistical parlance on the same theme that struck Jung in the 1930s. He contends that our language is not merely patronising, it is plain wrong. We talk only half-jokingly, of "wrinkles" and "crumblines," unaware that only a small minority of the elderly ever suffer serious illness or disability. At most, one in five or six people will be affected after the age of 80. Only 3 or 4 per cent of the over-65s are in old people's homes or hospitals. "You are quite likely to die in hospital but very unlikely to be there for any length of time before your final illness," he says.

Old people are not slow to learn new subjects as they think, and some of the best Open University students are the elderly. Nor, except in rare fields like mathematics, does creativity decline greatly with age. The story of Minna Keal, the 80-year-old London woman whose symphony was performed at the Proms this year, is a case in point.

If the old are much younger than we (and they) usually think, we need a different attitude to retirement. The more educated, middle-class retirees have the knowledge and the income to spread their wings. For example, several thousand of them have joined a network of self-help teaching schemes called University of the Third Age, an organisation that has its counterparts in 12 other countries. But for those whose education was skimpy and whose income is low, legislators may have to consider much greater public provision.

As 72-year-old Leonard Wansley, a former marketing executive in industry who runs the University of the Third Age in Cambridge, says: "Just because people reach 60 or 65 doesn't mean they change overnight from human beings to cabbages."

■ **Travis Dell and Baynes**

THE FIRST glass of wine that many of us drank was probably at the family Christmas dinner: a very sweet, slightly yellowish bottle labelled Barossa, which for us went down equally admirably with the turkey and the Christmas pudding. Save for special celebrations such as weddings (for which champagne of undisclosed source was *de rigueur*), wine was a rarity for most grown-ups in those pre-war days, confined to a very small section of the population who were mostly supplied by merchants in or around St. James's, London SW1, or in country towns.

I grew up alcoholically with the sherry party, invented it was claimed, by Carl Williams of Williams & Humbert, the sherry house, in place of the cocktails of the '20s that the world stamp of that time had priced out of many pockets. If such popular brands as Dry Sack and Dry Fly were less dry than their labels suggested, sherry marked a return to a healthier drinking. However when my wife and I — recently married — gave a sherry party, Dylan Thomas, one of the guests, sent out for beer.

The first case of table wine I acquired was a wedding present of non-vintage Moulin-a-Vent from Berry Bros. (One cannot imagine this wine being sold without vintage today). Then I was tipped off to import wine from a firm in Nantes, Théophile Guillon, which was said to supply that renowned tippler, Hilaire Belloc. I imported cases of Muscadet, Tavel and St. Emilion and held bibulous bottling parties in a Bloomsbury basement. The duty was then 8d (3p) and the total net cost per bottle was 1s 10d (5p). The second and last consignment strangely enough crossed the English Channel in January 1940 during the "phony war".

I had already become a minor customer of Avery's of Bristol, and Ronald Avery's lengthy replies to my ignorant but eager queries formed my first education in wine. In those days there was nothing like the spate of books on wine, that now flows so incessantly. George Saintsbury's classic *Notes on a Cellarbook* (1920) dealt with an already very remote period of wine-drinking, much of it in the last century. Otherwise there were the occasional rather over-charged descriptions and evocations of wine, nearly described later by Cecil Ray as "the baroque school of wine writing," the excellent but not widely known *A Book of French Wine* (1928) by Morton Shand; and then the more practical *Constable Wine Library* (1934), "a little else and in the press, nothing but the routine pre-Christmas article."

Fearing that the war might really break out and we would be isolated from the continental wine regions, I joined the International Exhibition Co-operative Wine Society. This did not provide much in the way of

Memories of vintage years

Plan ahead for the Third Age, says Edmund Penning-Rowse

wine education, for in those days no merchants provided any notes on their listed wines. One was expected either to know all about them or to visit the offices for a discreet discussion over a glass of sherry. However, although after Dunkirk the Society had to ration its members to three dozen bottles a month — much more than I could afford — and later had to reduce it to a mixed case twice a year until 1945, this at least enabled my daughter to begin drinking wine much earlier in life than her father, and to boast to a friend: "We drank shampagne when the



Edmund Penning-Rowse: bibulous bottling parties

war ended." Yes, the Society's non-vintage champagne.

This slice of vinous autobiography has been given to show the "enormously" different opportunities and outlets that exist today for the aspiring, not-very-alien wine drinker. Although a certain amount of wine was sold in widely-scattered licensed grocers, seriously and discriminatingly it was available only from traditional wine merchants and, unlike today, a mere handful of these had visited even the leading French vineyard regions. Instead they relied on agents mainly grouped together in the City of London, backed by occasional largely social visits by their principals in Bordeaux, Oporto, Rhine etc.

The big change really took place in the '60s, with the far wider distribution of licences and the abolition of resale price maintenance. This led the brewers and some other drink concerns to realize the

possibilities of diversification, and they went round the country buying up wine merchants, often at ridiculously high prices. Then the grocery chains saw their opportunity for one-stop shopping that could include wine buying. Sainsbury's secured its first licence in 1962 and gradually expanded until now they have 280 licensed premises that sell 1½m bottles a week. Waitrose now has nearly 90 shops, while Marks & Spencer, traditionally cautious, started selling wine in 1974.

However, the accessibility and abundance of wines available (Sainsbury's alone has 350 different ones) has in a way proved a disincentive to collecting and storing wines on a more restricted range, as was sensible when these could be acquired from a merchant who would, if desired, store one's purchases for a period without charge or for a nominal rent. Why go to the expense of buying a case of Ch. A when, if it sells out, Ch. B round the corner is unlikely to be all that different; and if the Australian Chardonnay has gone, there's the New Zealand one on the shelf.

Nevertheless, the prominence given wine today can stimulate a more than meal-to-meal interest, and from this it is but one step towards buying for drinking ahead. The development of the last 10 years or so of "opening offers" of new vintage wines has certainly encouraged this, especially for claret, which is particularly suitable as it can be bought in quantity and price all the way from leading classed-growths to be consumed far ahead to *petits chateaux* drinkable within a few years.

It must be admitted, however, that those who in middle life have taken to wine as a hobby can be very boring to their families and to those whose special interests — be they gardening or postage stamps — are not required constantly to be expounded across the dining table. On the other hand, for those who have drawn the cork of a long-held, precious bottle, it is less satisfactory to have to contribute to the glasses of teenagers who would rather drink fruit juice or cola.

Consequently, those who have amassed some stocks of fine wine in their 40s and early 50s may find the time in which they can secure the greatest pleasure from their wine is in

later life, and possibly when retirement provides more relaxed opportunities, together with similarly placed fellow wine amateurs, to consider and discuss a line of fine bottles.

But this has to be prepared for well in advance. One is never going to be short of sound wine for current drinking, either from a supermarket or a traditional wine merchant; but finer growths, whether from France, Germany, Italy or the New World, are nearly all worth buying early and keeping. This applies to state bottled Moselles as much as to Barolo and Hermitage, and buying early may be the only way to secure them, since few merchants can now afford to carry large stocks, and if they do their prices must reflect high interest charges. The exceptional 1962 vintage ports will, however, be available in 1985.

When one buys the latest claret or red burgundies on offer some estimate might be made as to how long one hopes to drink it in a mature state. For a classed-growth claret of a fine vintage 15 to 20 years is no exaggeration (v. '76s and '78s); for red burgundies at least 10 to 12. Leading white burgundies, such as '83 and '86 should be delicious at 10 years and maybe more. This also applies to the special Rieslings from the leading Alsace firms; and who has not been disappointed by recommended Italian Barolos and some of the special Tuscan and Veronese *vini da tavola* because they had been opened far too young?

With an unusual assortment of good vintages to hand, this is a good time for wine amateurs of both sexes to look ahead to a likely time of retirement, a reduction of business or professional responsibilities, or an elimination of many family chores. This should provide occasion to open in company bottles bought years in the past at self-congratulatory low prices but now fully mature: a continuing period usually moves extensively than often thought.

Lancis Robinson's new *Vintage Timewards* (1986) may be of assistance over this. Those who envisage their Third Age arriving within 10 years should look at their stocks of '72, '73 and '75 clarets, '76 and maybe '77 red burgundies, '78 and '79 Northern Rhônes; '83 and '85 generally for Italian wines; '85 and '86 for white burgundies; and '86 and '88 for German wines. For vintage ports the '70s might be the best bets.

For those looking further ahead the claret vintages to look for are surely '86, '88 and, no doubt, '90 when available later this year; in red burgundies '88 and '89. For Rhônes '88 and '89, but only '88 for most Italians. White burgundies were excellent in '86 and '88, especially the latter. For German wines the next fine vintage should be acquired, and as for vintage port one can look no further ahead now than the excellent '86s.

I like, too, the idea of bringing back the practice of serving broth to departing guests. I remember being told that in the early days of motor travel, broth was often served at the end of a ball to fortify the revellers and prepare them for the homeward journey. I dare say it helped, marginally, to clear their heads as well as to warm them. What a sensible sort of "one for the road."

Pheasant (or turkey/chicken) soup with pomegranate

This basic broth is equally suitable for greeting travellers or sending them warmly on their way. Add the finishing touches to turn the broth into a soup of dinner party status.

Take the carcasses of a brace of recently-roasted or casse-roulé pheasant. Pick a few scraps of cooked meat from them and save to garnish the soup if you like. Put the rest into a stockpot (turkey or chicken carcasses) and cover with water. Bring to the boil and simmer for 2 hours. Strain the stock carefully through damp butter muslin and discard the solids. Fast-boil the topaz-coloured liquid until reduced to 2 to 2½ pints of rich, gamey broth and add salt to taste.

In the past it has been my habit to garnish the soup with reserved scraps of pheasant meat plus a few button mushrooms, sliced paper-thin and cooked in the broth for a minute or two before serving, and a scattering of blanched and flaked almonds added at the point of serving.

Recently, inspired by reading Anna del Conte's description of a renaissance wedding menu and her adaptation of an ancient soup garnished with the garnet-gleam of pomegranate seeds, I have taken to using these in place of almonds. Their jewel-like brilliance and their juicy bite make a lovely foil for the buttery soft mushrooms and the effect is most dramatic if the garnishes are served dry in soup plates and the hot fragrant broth is ladled over. Three ounces of mushrooms and one small pomegranate is enough for 2½ pints of broth.

Savoury puff pastries

These are far from essential accompaniments to pheasant soup but they partner it splendidly when the soup is served at the dinner table rather than offered in cups.

Crush 1 tablespoon of cumin seeds with mortar and pestle until reduced to a coarse powder. Mix with 3 teaspoons of sesame seeds. Roll out thinly a 7 or 8 oz packet of puff pastry. Brush the top very lavishly with the yolk of an egg beaten with 1 to 1½ teaspoons of milk. If the stock will turn cloudy, bring to a simmering point and skin well. Add a curl of orange peel, a large bayleaf, two or three sprigs of thyme, a pinch of salt and a few peppercorns.

Cover with a well-fitting lid and leave to cook over the gentlest possible flame or in the bottom oven of an Aga for several hours to extract full flavour. Take care not to boil or the stock will turn cloudy. Only the occasional bubble breaks the surface, the liquid will remain as clear as concrete and need no clarifying.

Strain the stock carefully through damp butter muslin and discard the solids. Fast-boil the topaz-coloured liquid until reduced to 2 to 2½ pints of rich, gamey broth and add salt to taste.

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The pastries will keep for a couple of days, but be sure to reheat them briefly but thoroughly just before serving to renew their freshness.

Cookery You can't beat broth

Philippa Davenport warms to an old and hospitable tradition



lengths, and two onions, roughly sliced but with their skins left on for the sake of the colour they give the soup. Cover with plenty of water, bring to a simmering point and skin well. Add a curl of orange peel, a large bayleaf, two or three sprigs of thyme, a pinch of salt and a few peppercorns.

Cover with a well-fitting lid and leave to cook over the gentlest possible flame or in the bottom oven of an Aga for several hours to extract full flavour. Take care not to boil or the stock will turn cloudy. Only the occasional bubble breaks the surface, the liquid will remain as clear as concrete and need no clarifying.

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Food for Thought

My usual table for one, please



another for vegetarians: using the vegetable stock, sweat some onions in a pan and add stock, frozen peas and mint. Fonds de Cuisine are sold by Harrods, Fortnum and Mason, Selfridges, Partridges and the top 140 branches of Tesco. Chambers says soups are to follow in the new year.

For some years I lived in Paris, where food shops stay open until 7.30 pm. This is ideal for me, as I like my appetites to tell me what to buy for dinner. Shopping at that time in Britain you are limited to the supermarket. My local options — The Market, Sainsbury and Marks and Spencer — all present problems of portions: they are either too large or too small for one. Sainsbury is probably the best, and M&S have recently introduced stew packs for one person.

Prepared meals do not appeal to me. I am unconvinced by time-saving. Half an hour spent grilling or frying a chop, steaming some greens or boiling some potatoes is not a lot of time even in the busiest of schedules.

Supermarket shopping puts me off by its clinical nature: I like handling food, not peering at it through a plastic box. Ideally, I go to a high street shop during the day. You can tell a butcher or a fishmonger precisely what you want: a supermarket allows you only to choose from their choice.

I have crazes about dishes when I try to perfect a recipe. I once spent three nights in succession cooking skate wings in black butter with three different vinegars: aceto balsamico, sherry and Banyuls. The six-year-old, cask-aged Banyuls was the best.

Cooking requires concentration, which is a welcome distraction if you are unhappy about being alone, but no-one would pretend that eating by yourself is the best of worlds. When there is just you it's best not to buy joints or chickens lest you end up reworking the same theme for days. I get cravings for joints, but end up throwing meat away. Even then it makes a welcome change from chops, steaks or cod fillets with sorrel from the garden.

I must confess that I am rather fond of my own cooking, which means I usually overeat — with the result that at about 10 pm I can be seen pounding the local pavements, working off my usual feast.

Giles MacDonogh

Ancient Days

The cult of youth

"WHOM the gods love dies young," Menander wrote. The Greek view of old age was unrelievedly bleak. And it is extraordinary how pervasive it was, from Homer in the 8th century BC onwards. In the *Iliad* Achilles is all too aware that he is fated to die young but he will achieve renown; provided he gets the glory, early death does not matter. Three hundred years later Euripides has a chorus sing: "I hate hateful, murderous old age."

1945. A small vintage, owing to post-war austerity quota restrictions, the grapes were picked in baking heat. A big, classic port that developed slowly. The colour is now brown-tinted, the bouquet smooth and elegant, the flavour long in the mouth. Very well balanced.

1952. After a comparatively cool summer and a scorching September, the vintage took place in perfect conditions. Amazing depth of colour for a port nearly 50 years old, with a rich chocolatey nose, and rich, concentrated flavour. Perfectly balanced, showing no sign of age — delicious drinking.

1957. Produced but not declared by Noval. Cockburn was exceptional among the top houses in doing so. An agreeable glass of port, now near its best with little more to develop. The "Nacional," though with much fuller colour than the 1952, lacked the concentration of the 1950. Good.

1963. Another drought year that produced rather dried-up grapes with high sugar content. Rain followed in the vintage. Much more colour than the 1957, and a well-balanced wine for current drinking. Not much behind it. The "Nacional" had more depth of flavour and better, more fruity balance, but less character than the 1953.

1970. A cold, wet spring was followed by three months of drought. Noval was the only leading shipper to decide this vintage, perhaps because it had failed to do so for the 1971, considered — perhaps the greatest port year since 1963. This was surprisingly pale, and the "Nacional" little deeper, but with more richness than the no more than moderate-quality normal wine. However, neither had great character.

1975. The year of the Portuguese Revolution: the vintage took place after a scorching summer. Also rather pale and on the light side in flavour, but now 14 years old and an attractive wine for early drinking. The "Nacional" had much more colour and a notable depth of flavour.

1976. The most classic vintage since the last world war (until perhaps, the 1977) followed a summer without extremes of weather and with some useful rain before the picking. A lighter colour than I had expected and lighter on the palate also, perhaps reflecting the "feminine charm" sometimes attributed to Noval. Good, well-balanced and very enjoyable, but for me lacking quite that depth of flavour I had expected and which I have found in other shippers.

Edmund Penning-Rowse

they sat on Mount Olympus and watched mortals making a mess down below. But they were never to die, which was a huge advantage for them in the games of the youth culture.

Mortals became impotent but the gods could carry on to their hearts' desire. In bizarre disguises, they descended on lovely girls in mountain meadows or found them at the fountain house drawing water. They went after boys as well, as when Zeus swooped down as an eagle to snatch Ganymede, the most beautiful boy in the world, to be the cupbearer of the gods. (But more of the stories of divine seduction are heterosexual, the result often a blue-blooded baby, a hero or demigod who in no way could have been born to a male.)

The cult of youth in Greek literature comes as a shock for those of us who are middle aged, however familiar are the beautiful boys and gorgeous girls of Greek art.

For many (male) Greeks, the handsome young man was the ideal love object (as generations of English schoolmasters have tried to conceal). We find him naked on vases, naked in marble, naked in sport and naked in men's thoughts. But what happens when his beautiful boy deteriorates, and he is toothless, blind and with a pot belly? The worst affliction of all is friendlessness and feeble age, as Sophocles said.

There are however a few exceptions to this unromantic view. The gods were given some age, to highlight their importance as

they sat on Mount Olympus and watched mortals making a mess down below. But they were never to die, which was a huge advantage for them in the games of the youth culture.

It is absurd behaviour, and effective theatre. Euripides must have shocked his audience, who might have left the theatre dwelling for a moment on how the old can still be young, before they returned to the standard Classical opinion that all is gaudy after youth.

It is a relief to turn to real

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DIVERSIONS

Lingering love of learning

I REMEMBER a chat with a Fleet Street colleague who had opted for early retirement. "I'm well capable of organising his intellectual retirement," I've realised there are a lot of books I want to read or re-read in years left to me," he said. "In fact, I think I ought to have another crack at George Eliot."

People like that will not have any great problems in keeping their minds alive. But a lot of people want something different, the sort of institutionalised education programme which mixes them with other people, not necessarily with any plans for academic prize, but simply a continuing love affair with the pleasures of learning.

Who are they and what do they want? They are mainly people with time and some amount of money to spare. Some do want a degree – the Open University has recently awarded one to a woman of 92

Alan Forrest on bits, bytes and nibbles – and other studies

– but a majority just want to stay intellectually occupied. There are also those who have decided to live abroad in retirement.

Leonard Wensley is 72 and director of studies at the University of the Third Age in Cambridge (USA). He worked for Courtaulds, Fisons and BP and taught marketing at Ashridge management college. Wensley talks about it as a social as well as an educational experiment. "We are fed up with being told by younger people how to plan our retirement," he says. "A lot of pre-retirement courses are run by financial people. They are mental and physical, but not intellectual.

"Our object is to shorten the Fourth Age [dependency]. There is a feeling that we could become locally and nationally a pressure group for the age group, but that is anathema."

The USA system started in 1982 with 200 members and has grown prodigiously – it now has more than 1,000 members at its Cambridge centre alone. The movement is nationwide, but Cambridge and Huddersfield have disaffiliated from the national body after a disagreement about a national charter. Most of the USAs are affiliated to the Third Age Trust, part of a movement founded in France some 15 years ago and rapidly growing in countries where, unlike in the UK, there is little experience of adult education.

The USAs can claim to be rather special. Every member is expected to learn and, if the student has teaching skills, to teach as well. The people attracted include more than a smattering of retired professors, schoolmasters, lecturers and researchers.

Lennie Lourie, executive chairman of the USA in London, says that £20 – as little as

£2 if you have income support – gives access to all 50 study groups as well as use of book and record libraries and other benefits.

The Open University is also closely involved in Third Age education. Michael Richardson, its Pro-Vice Chancellor for Continuing Education, talks proudly of the number of retired people taking a first degree: "Our oldest graduate has been a woman of 92, but we have study programmes that don't lead to a degree. One of our most popular subjects for the over-60s is archaeology."

The Open University has a leisure series specialising in history, art and music and courses on planning retirement covering important subjects such as health, accommodation and family relationships.

There is such a wide range of schemes for studying in retirement. Some of the best options for mature students who want to keep lively minds are summer schools (Marlborough and Taunton), the excellent facilities at universities provided by the British Universities Accommodation Consortium (based at Nottingham, but covering many UK universities) and some of the country houses and summer colleges providing everything from water colour painting to ballroom dancing.

One of USA's successes has been a course on the English Parish Church, but there is little, too – Computing for Grandparents is on offer with "bits, bytes and nibbles," and Computers for Women with a tutor from the Women's Resources Centre.

Peter Laslett, in his book on the Third Age, says: "It is not at all certain that the traditional slurs on the elderly as learners are as widely accepted by young people as they are by elderly people themselves. Those who undertake to explain or instruct classes of senior students self-selected as the students tend to be, are regularly impressed by the strong motivation of them and by the excellence of some."

"Older learners are frequently surprised as well as delighted when they are able to tackle Green grammar or computer programming, so tenacious are their undulating beliefs about themselves."

■ Some useful addresses:

University of the Third Age in Cambridge: Sa Castle Street, Cambridge CB3 0AQ (Spring term begins January 15); University of the Third Age in London: Langton Close, Wren Street, London WC1X 0HD. Local adult education organisations have details of other USAs.

Open University: Telephone for central office at Milton Keynes is 0908-653231 or 0908-652805 – or see local directory for nearest office.

British Universities Accommodation Consortium: University Park, Nottingham NG7 2RD (tel: 0602-422505). English Tourist Board offices and other tourist centres have details of summer schools.

I HAD not been in Amsterdam for more than an hour before I was robbed. The thief was young and appeared drug-crazed: he relieved me not only of most of the cash I had, but also any means of obtaining more.

Grateful to have suffered no more than the loss of my wallet, I could afford nothing better than the low life of Amsterdam. I winkled out a squalid hostel, which seemed mostly occupied by German motorcyclists: greasy young men who perched around the dormitory beds like herons, puffing at their "weeds."

But a companion materialised here; a real companion, who shared "bread". He was a Glaswegian busker, and he was able to give me the low down on the low life. He favoured the hookah himself: the devotees of acid were a type that he despised. He was worldly, but kind with it, and it was his "bread" in my pocket that allowed me to proceed with the exploration of Amsterdam.

The city's low life has two particular features: the mottled propositions on the street which offer divers pills and powders; and the ladies on display, blatant as chops of meat in a butcher's window. I peered into a dive called The Devil's Playground, but saw nothing more sinister than a few men quaffing lager. For one instant, their faces were quintessentially Dutch: jolly, solid-jowled, red. They wore the same expressions of puckered delight

as in Rembrandt's self-portraits; in fact they looked like his relatives. In the precincts of The Devil's Playground this was disquieting, for Rembrandt seems a devout man and would not have drawn a necessary correlation between low life and loose morals.

There is a marvellous museum for Van Gogh in Amsterdam, and the Rijksmuseum is celebrated for Vermeer and other Dutch masters. But Rembrandt is the rightful object of pilgrimage to this city, and if you are robbed as a pilgrim, then Rembrandt stands by you in spiritual sympathy. His beggars are not picturesquely mannequins of rag bundles, but credibly demeaned. And Rembrandt, after all, spent his latter years in a state of declared insolvency. When his creditors drew up an inventory of his possessions in 1656, they must have virtually reduced the painter to a beggar's state, raiding him even of his shirts: only Rembrandt's son and housekeeper ensured that he was not turned on to the streets.

But bankruptcy forced him out of the house that is now enshrined as his. It is a grand building on the Jodenbreestraat (Jewish Broad Street): grown grander since Rembrandt lived there, having acquired a second storey and a little Classical pediment, but still a testimony to Rembrandt's passing success. There is a picture that he painted, around 1635, of himself and his wife, Saskia, at a table: she, in her fine gowns, looking very much at home on his lap, and he a regular cavalier, toasting the whole world with an enormous bumper of wine.

All went Saskia died, after three of their children had died in infancy; Amsterdam patrons were too puzzled and challenged by the direction of the painter's work; and in his self-portraits we see the fading of the cavalier twinkle into sadness – the great well of sadness that is within Rembrandt's elephantine eyes.

Within the house there is little of the finery that it once contained: the prodigious dressing-up boxes, full of fur robes, turbans and ostrich plumes; the antique and Italian sculpture; the jewellery, weapons and instruments. Instead, the pared-down evidence of the artist's livelihood: his sketches, his etchings, his printing press. I own a deep affection for Rembrandt. As a boy, I was

taken by an enlightened art teacher to see Alexander Korda's film in which Charles Laughton is perfectly cast as Rembrandt. One scene retains a clear poignancy: when Rembrandt takes an old Jewish beggar into his studio and puts robes and turban upon him; and as he paints, he tells a sad tale from the Bible to his sitter. The beggar is moved, and wipes a tear from his eye with a velvet curtain: and there is the picture – David Harping Before Saul, with Saul weeping into a curtain.

It is difficult not to feel sentimental about Rembrandt, precisely because there is so much of himself in every work. Contemplating *The Night Watch* in the Rijksmuseum, I wondered why I should be so entranced by this group portrait: why Captain Frans Banning Cocq and his halberdiers, the Dad's Army of 17th century Amsterdam, should hold me in front of them for an hour. I decided that it was the care invested in the picture by its painter, not simply the care of a craftsman, but a care for every individual in the group. Nothing by Rembrandt ever capitulates to the pushers, pimps and punters before them.

I sought out my Glaswegian busker. He had been in Amsterdam for over a year but had not put foot into the Rijksmuseum, nor heard tell of the name of Rembrandt. I left him

with some postcards – bought with his money – and the story of Rembrandt. He liked the pictures and the story, but regarded me oddly. "You came to Amsterdam for this?" Yes, I said. "And lost all your money for it?" Yes. "Rembrandt is worth it."

■ *The Rembrandtbus: 4-6 Jordaanstraat; Mon-Sat 10am-5pm, Sun 1pm-5pm.*

Nigel Spivey

Rembrandt Self-portrait, with terrified expression

with some postcards – bought with his money – and the story of Rembrandt. He liked the pictures and the story, but regarded me oddly. "You came to Amsterdam for this?" Yes, I said. "And lost all your money for it?" Yes. "Rembrandt is worth it."

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Work after work

Philip Barron on life in retirement

WHEN HE retired from his job with the British Steel Corporation, Leslie Sutherland wanted to do something that would give him a sense of purpose and a new set of friends. At the same time, the North Yorkshire Moors Historical Railway Trust needed someone to help supervise some ambitious construction projects.

Now, two days a week, Sutherland happily commutes the 30 miles from his home in Guisborough, Cleveland, to the railway's HQ in Grosmont where he puts his management skills to good use.

The match is just one of 3,000 arranged by REACH (Retired Executives Action Clearing-House), a charity which this year celebrates its 10th anniversary. Its task is to bring together retired business men and women who are in the right place at the right time to help voluntary bodies which need people who can "run things" but which cannot afford to pay more than expenses.

The agency's founder, Nick Grace, who has himself just retired, started the scheme in two rooms provided by Lloyds Bank in 1979. Charities sent in

their "vacancies" and gradually the word got round among executives who wanted work after work.

In the days, Grace used punched cards to match the two. Now, inevitably, a computer keeps track of the 500 or so volunteers on the register and the various skills they can offer. The computer finds applicants with the best scores in the skills sought for each part-time job and then REACH's matchmakers do the pairing. No fees are charged to charities or applicants; the scheme is funded mainly by the Home Office and company donations.

The service does not find paid jobs and does not expect charities to substitute volunteers for paid employees. The posts it fills are part-time and are often of the "kind which would not justify a salary."

Administration and personal skills are those most frequently offered. Financial experience is the most in demand, so accountants are welcomed with open arms. Leonard Macklin, 67, used to work for Unilever but now, through REACH, helps Oxfam in Wales as an internal auditor of their shops.

About a fifth of the volunteers are women. Gabriella Foldes, a chemical engineer who lives in Aberdeen, has found a niche as local organiser for a national scheme called Opening Windows on Engineering. She arranges for employers to release young engineers so that they can be trained to talk to schools about their work, stimulating interest in the profession.

Chrys Aitken, of Bilsborrow, had experience of liaising with industry when she was head of careers at the John Bunyan School in Bedford. Now she visits schools on behalf of Young Enterprise, which helps young people to understand industry and commerce through practical involvement in running a business.

Sheila Metcalf, who lives near Bath, used to be systems manager at Harrods. The agency steered her to the Wiltshire Gardens Trust, a conservation society in need of an administrator.

At any given time, there are about twice as many vacancies as there are volunteers on the register. Recently the gap has widened, partly because of the greater availability of paid part-time work for retired professional people.

Jill Munday, REACH's director, is confident that the people needed to fill the jobs are available: the problem is reaching them when they are receptive to the idea of continuing to work. Pre-retirement courses might seem the ideal moment to sell the idea. Not so, says Munday: "At that stage, executives are thinking about their retirement income, where they will live and the freedom ahead."

Only later comes the nagging thought that their hard-won skills and experience are going to waste and worse, that they are no longer "useful" to the community. Munday says: "Six months into retirement they've done the decorating, been on the world tour and realises that freedom to play



Leslie Sutherland on the right track with a moorland railway

tor, is confident that the people needed to fill the jobs are available. That is where we come in."

By then the retired manager can be hard to locate, but the agency is developing links with company pension departments which can get the message to departed executives. Many find the leap from a routine to total freedom hard to handle, and it can take time to get out of the house. As one matchmaker said: "The sound of the vacuum cleaner gets them thinking on the right lines."

An important aspect of the work is to ensure that charities use volunteers properly. They are taught to define a job accurately and to be honest about its limitations. "We want to be sure that the job will use at least some of the volunteer's

special skills," Munday says.

Volunteers are warned to be flexible and not to over-commit themselves. "Decide how much you are prepared to do and stick to it," say the guidelines. "Your organisation must be able to rely on you, and it is not so easy to be conscientious when you are not getting paid."

Although most placements are by their nature local and low profile, there are exceptions. Bill Hawthorne, another Unilever man, accepted a post with the Centre for International Peacebuilding. Within a year, he had attended a conference in Moscow and spent an afternoon with a group in the company of Mikhail Gorbachev in the Kremlin.

About half of REACH applicants are matched and of these placements half continue for two years later (this does not mean a 50 per cent failure rate since many jobs are short-term). Causes of failure to place are mainly location, career specialisation, personal factors and "selective attitudes."

Munday feels that the organisation's main purpose is to enrich retirement years that could otherwise be wasted in aimless pottering. There is, she says, substantial evidence to suggest that voluntary work contributes to fulfilment, well-being and longevity.

Founder Grace has seen REACH grow from a one-man, home-based operation to an agency covering the whole of the UK, with 14 workers placing 500 retired executives annually. Of his own retirement, he says that after a breather he may apply to REACH... "If they'll have me."

■ REACH: 89 Southwark Street, London SE1 0HD. Tel: 01-927 0452.

The Business Network

J.M. Cashford on the sharing of confusion



PLANET EARTH

have never faltered. They were not advertised, but friends brought friends and made new ones, and the word went round. It began as a small club with about 19 participants, now has about 400 members – with some dropping out and others joining – and so has necessarily developed into something which is more formal and organised.

They each asked 10 people to a meeting. "Come and share our confusion," was the irresistible invitation, and these 20 people formed the nucleus of what was to become The Business Network.

The idea was to create a group of people who could explore together the reconciliation of business and spiritual values without having either to defend their service to Mankind or to risk a question mark on their Personal Record.

They agreed to meet one evening a month at the same place and to invite a speaker who would generate a discussion, after which all would retire to dinner when the mutual exchange of views and information could continue at leisure.

That was seven years ago, and the monthly meetings have arisen spontaneously.

These look into such subjects as social responsibility in business, business samaritans, new approaches to money, and volunteer organisations for retired business people, especially those who choose to take early retirement so they might use skills gained in business in a new way. These groups report back at intervals, and some initiatives have led to new businesses being formed.

In the words of its own brochure: "The Business Network links people interested in transforming business, so that it embodies a vision of the wholeness of life for the planet and for the human spirit. It aims to foster a new holistic approach to business which reflects the interdependence of the individual, business, the community and the environment. The Business Network informs, supports and encourages those who seek to harmonise these aspects in their personal lives and in their business lives."

Over the years, the theme of the meetings has become increasingly international and environmental. An understanding of moral values has expanded to include the Earth as a whole. Speakers have included: Manfred Max Neef, the Chilean economist and winner of a Right Livelihood Award; Rupert Sheldrake, biologist; Willis Harman, founding member of the New World Business Academy; Jonathan Porritt, of Friends of the Earth; and Jose Lutzenberger, the agronomist who works on a fertilizer component in the chemical industry and now works in Brazil trying to prevent the destruction of the rain forests.

Topics have included the implications for business of the new discoveries in physics and biology, the future of work, the role of intuition in business, the creative manager, social investment and, not least, that tantalising synthesis the profitability of holistic business.

■ The Business Network, 18 Well Walk, London NW3 1LD. Tel: 01-333-5000.

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Rolling back the years... and still looking good; from left: Sean Connery, Vanessa Redgrave, Gregory Peck, French actress Catherine Deneuve, designer Hardy Amies, Jackie Onassis

Don't let the wrinkles rankle

Age shall not wither you — if you keep a sense of inner contentment, says Lucia van der Post

NOBODY IS wooing the citizens of the Third Age more ardently than those who run the cosmetic companies. For them it promises to be a bonanza on a par with the great Californian Gold Rush, for all the requirements for a tranquil and contented middle-age reasonable looks and health are probably the most pressing.

For several years the race has been on among the beauty houses to find groups of products that can really tackle the problem of ageing skin. There are those (a dwindling band) who think that this is all unduly frivolous and that we should start worrying about real things — like the depletion of the ozone layer. But the rest of us, who can encompass worry about our skin AS WELL AS the ozone layer, have an impressive supporter in the guru of dermatology, Dr Albert Kligman of the University of Pennsylvania School of Medicine, who once told me that in his view worrying about ageing skin was perfectly legitimate. "The wrinkle," he said, "is a goddam serious disease — it causes more anguish than heart disease." And, what's more it afflicts men as well as women.

Research into products to stave off damage to the skin has been going on for years, and ever since La Prairie brought out the first of the cellular renewal creams some 13 years ago beauty counters have been groaning under the weight of products claiming to help keep wrinkles at bay.

At the moment some of the most intensive research is going on in Japan, which has one of the largest ageing populations in the world. In 1985 some 10.2 per cent of Japanese were over the age of 65 and by 1995 this figure will probably be up to 16 per cent, which according to UN definit-

tions turns it from an "ageing society" into an "ageing nation." Japan has, therefore, become the hot living laboratory, watched with fascination by the rest of the world.

Shiseido, Japan's leading cosmetic company, is currently devoting a vast proportion of its research resources to the problems of ageing. It seems that Japanese women look on the inevitability of the process with great pessimism and even less tranquillity than we muster in the West. In Britain women in their 20s are the high-spenders at cosmetic counters with expenditure tailing off as they get older, until once they are over 50 it falls to half of what they spend in their youth. In Japan the reverse is true — expenditure on skin care and cosmetics goes up steadily with age, so that in middle-age phenomenal sums of money change hands at the beauty counter.

Shiseido, however, is approaching the matter on many fronts. It doesn't feel that the total answer is ever likely to reside in a pot of cream. Ageing, if we are lucky, happens to us all — it's how we deal with it that matters. Dr Ozawa, head of research & development, believes ardently that no-one should strive neurotically to keep ageing at bay. Ageing gracefully, accepting it, greeting it as one of life's many phases, is vital to his philosophy and that of the company. Helping middle-aged men and women to look like teenagers is NOT the aim.

This need not, however, mean that we shouldn't try to look and feel as good as we can. To this end the company has moved from dealing primarily with products to looking at complete life-styles. Shiseido calls all this "research into Wellness," and the Wellness concept is filtering into many aspects of the company. It has led to Wellness clubs, a sort of combination of health and fitness clubs but offering the full gamut of Eastern and Western therapies from massage and Shiatsu to whirlpool baths, facials and aerobics. The company reckons that it is streets ahead of the rest of the world in stress management, and all the Wellness clubs are trained to deal with it.

Almost all the main beauty counters in Japan offer what they call Wellbeing advice — which takes in things such as nutrition, stress, and exercise as well as

skin-care product in 1989. At £36 a pot you are meant to use it twice a day.

Once upon a time it wasn't... well, mostly for a chap to worry about his age. These days, however, beauty companies report that chaps not only worry almost as much as women, but also that men age differently, usually much more suddenly and therefore (for them) more worryingly. At Aramis, a leading company in the field of masculine grooming (as the subject is euphemistically referred to in these circles), they tell me that more and more of their customers are 30- and 40-year-olds who have been taking care of their skin

stress, ageing and the environment. Understanding how it works does mean grappling with a whole new vocabulary — free-radicals, we have to learn, are the baddies: they cause the damage which comes from the sun, stress, poor air, poor circulation and lack of proper nutrition. The success of the Anti-Ageing supplement seems based on its special cocktail of four free-radical "scavengers" which attacks the bad, bad free-radicals.

In the spring Aramis promise more comfort in the shape of EyeLift Undereye Relief. Whereas men seem to mind much less about wrinkles than women, they do seem to mind about dark circles and bags. EyeLift Undereye Relief is a gel formed from botanical extracts which is designed to increase microcirculation in the area without causing irritation or inflammation (the chief hazards of eye products). It comes in a handy travel tube.

The daily shave, it seems, is another bodge. Each day a razor blade strips off three full layers of skin, which in turns triggers the immune system and the free-radical production which causes ageing. That's why many men will look almost ageless until about 35 to 37, when all of a sudden the skin in the jowl area will drop. Panic not, help is at hand — the Tri-Gel Shave Formula will reduce the trauma to the skin and thus the process of ageing.

Inextricably tied up with looking good is feeling good, and here I believe that Shiseido has the right approach. Keeping healthy is not, clearly, entirely within one's own control — bad luck, poor genes, rotten environment all play a role. However, as more of us live longer and longer more and more help is at hand. From fitness clubs to Royal jelly, anything that

helps people feel well for longer seems to me worth a try.

A half-hour exercise a day is probably a better beauty treatment than any cream. The human body is not designed for inactivity and it seems clear that those who exercise regularly suffer less depression, feel more optimistic and look better than those who don't. The best advice I can offer on this front is to try and find some form of regular exercise that you really enjoy — the chances of keeping up cycling in lonely seclusion in the garage are poor, whereas tennis, swimming, dancing, squash or anything else that involves friends and fun is much more likely to endure.

My final thought on the matter is that the thing to aim for above all is a sense of proportion. While I believe ardently that it is worth taking care and trouble to look and feel good, this sense of proportion is essential. There is hardly a more pathetic sight than a woman who is unable to accept her age, who has lost all sense of herself, who believes that beauty resides solely in youthfulness, who tries desperately to be something which she is not. It isn't honest, it isn't brave, it isn't interesting. In my experience the most attractive people are those who are at ease with who and what they are. The French have a phrase for it: *rien dans sa peau*.

I am comforted by a (true) story of my husband returning from a dinner to which I had been unable to go. There he had met the most beautiful, desirable and fascinating of women. He waxed on about her charms at length — and it wasn't until a few days later that I learnt that she was in her late 70s. Her age had been the least important thing about her.

Basil, meet George . . .

Lucia van der Post on those who make it — and those who don't

would have been a bad show if they'd turned him down. He didn't make much of a mark when up but he was generally considered to be a jolly good sort. He rowed for the college and left mightily relieved to have made a 22. His career did look to be something of a problem for a while but in the nick of time somebody his father knew in the City suggested that he might find him something in his stockbroking firm.

For a while Basil and George kept up what was really little more than a vague acquaintanceship. Basil gave rather dashing parties in his flat in Hampstead — lots of red wine and laugage, may talk, pretty

and Sophie had a bit of a bad year at the same time, they ran into each other again. Basil was, quite frankly, amazed. There was old George, rather a duffer, he'd always thought him, yet now he seemed so... well... so well set up. Not that George was boastful — goodness me no, much too well bred for that — but one couldn't help noticing things.

To begin with, there was his car. Whereas he, Basil, had driven over in his rather battered Volvo (60,000 miles on the clock), old George had turned up in a smooth-looking Jagar. His wife was looking dashing — he couldn't put his finger on it, but she had about her that indefinable air of gloss, as if she shopped every day at the sort of places he went to for Sophie's Christmas or birthday treats. Sophie, bless her, managed awfully well — her style was what you could call "natural," and she bought her cosmetics at The Body Shop and her clothes from Laura Ashley.

Of course, here they all were, in their mid-50s, and they didn't have any serious money worries. The schoolbills (Whew!) were all paid, the mortgage infinitesimal, and thank God they'd bought that little place in the country when such things could be had for a song. But Sophie had never really gone back to work since the children came (somehow wives didn't then), and though since the children had flown the nest she had started a rather arty little gallery in an unfashionable part of North London it was more of a hobby than anything else. He, Basil, bought his suits off-the-peg (Marks & Spencer mostly, with an occasional extravagance to Austin Reed or Simpson), whereas he'd lay a fiver-to-one that George these days bought his shirts in Jermyn Street and his suits in Savile Row.

Of course, they were lucky with the cottage in Wales,



strange how every time his pension statements came round he found himself doing rather anxious little sums.

They'd never been able to afford any fine furniture either, though when Sophie's mother died they had inherited a few quite nice pieces, as well as one or two quite pretty rugs. It wasn't that they were hard-up — it was more that, with what two houses and two cars to run and the endless bills that kept coming in, there never seemed to be much left over. Whereas George... now George, it seemed, always had

George had driven across from what by all accounts was a notable manor house in Gloucestershire, long since exchanged for the three-bedroomed cottage in Kent. The London pad these days was a two-bedroomed flat in Chelsea, but August was spent in the villa in Tuscany and there was much talk of popping over to the flat in Megève for long weekends skiing in the winter season. And there seemed to be lots of little treats popping to places inbetween times — shooting in Scotland, music in Salzburg, partying in Geneva, that sort of thing.

George, it seemed, had stuck to his stockbroking. He might not have set the world on fire but he was clearly what could be called "a safe pair of hands." Gradually he had climbed through the firm until he became a partner and, though the '70s had brought him prosperity, it was Big Bang that made him rich, when he and his partners sold out to one of the international banks looking to become complete companies. Though much too nice to gloat, George definitely had about him the air of somebody who had landed firmly in the limelight.

He couldn't help overhearing the wives chattering and for Sarah and George, it seems, life stretched gloriously ahead, filled with the prospect of lots of little projects. Last year it was a Snapple Kitchen, the year before that several Czech & Speake bathrooms (two en-suite), but this year's project was quite definitely an "Edwardian" conservatory. It would blend in perfectly with the stone and it would quite transform their breakfasts. Sarah was clearly also a little worried about all that rag-rolling, those swags and festoons that once had seemed so right... now they looked just

a little jaded, and she was wondering which of the fashionable decorators could give the manor house a minor face-lift with which to greet the '90s.

Holidays for George and Sarah loom large. Tuscany is beginning to seem a little tame. There was the Kenyan safari last year and the trip to Australia the year before, but now they are planning something really big — a month dawdling round the South Seas in a schooner seems to have just the right ring about it.

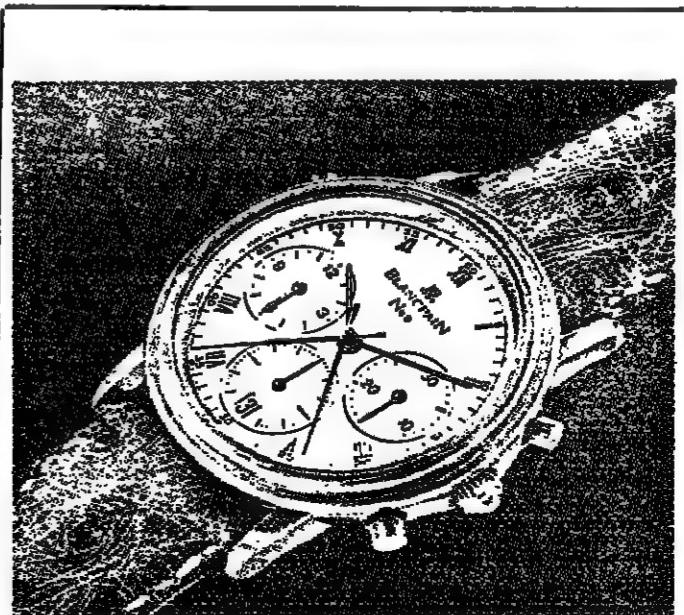
Sarah, it seems, shows a lot and is addicted to designer names. From Chanel she goes to Valentino, from Valentino to St. Laurent. For lunching at the Caprice she'd choose Armani or something from Saks Fifth Avenue, whereas for balls, Ascot or a ceremonial lunch at the Ritz Caroline Charles is simply perfect.

Then, of course, there's shopping for the house. George has got awfully fond of Victorian water-colours and if ever she wants to please him she drops in at Sotheby's to see what

they've got coming up. George and Sarah discovered Sotheby's in a big way when they first started to realise that they were... well, rich. Gradually the early married buys — the Sanderson prints, the Jonelle carpeting, the furniture from Peter Jones — were eased out: the walnut tallboys, the marble Renaissance table, the gilded mirrors edged in.

When she isn't shopping she is planning treats. There's Ascot and who to invite to the box that George always takes. There are shooting weekends to plan and fierce games of tennis to play in the En-Tout-Cas all-weather surface to set in train. There's Glyndebourne and posh picnics to arrange. Then there is their 30th wedding anniversary coming up, with marqueses and caterers much on their mind. Oh, but isn't life hectic... such a whirl, so much to do.

"Bye, Basil, bye-bye Sophie." they cry, as Basil and Sophie head for the battered Volvo. "You must come and stay with us in Tuscany some time..."



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TRAVEL

There IS life after cruising

James Bredin on the growing market for over-50s travellers

THERE WAS A time, not so long ago, when only the rich could be sent to places such as Samarkand or Cuzco, Aswan, Islamabad or Macau. On a recent holiday in Andalucia I met people who have been to all of them.

I also met two delightful women of a certain age who have enjoyed holidays in every European country except two (Poland and Finland). "We've also spent an hour in Asia and an hour in Africa," one of them told me. "And we weren't greatly taken with either - were we, dear?"

We were all on a holiday organised by Saga Holidays, the firm that specialises in holidays for the over-60s. With Saga, nobody is old. You can be retired, experienced, mature, even worldly-wise, but not old.

To save you the bother of filling in another form your insurance is included in the advertised cost of holidays abroad and you may telephone the company's offices in Folkestone, Kent, free of charge from anywhere in Britain to book a holiday or check whether you will need a visa or inoculation.

Free telephone calls are typical of the way that Saga does business. A few years ago it decided to do without scattered agents and to concentrate all booking arrangements at its Folkestone headquarters. This meant that the company could appoint its own sales staff, train them and make sure they operated to Saga's standards.

It was Sidney De Haan who in 1950 first started offering holidays for retired people, aiming to fill the 36 rooms of his Folkestone hotel in the off-peak season. His son Roger is now chairman and chief executive of Saga and the company offers off-peak holidays in Spain and Jordan, Kenya and Russia, the Andes and the Himalayas, the US and China.

The over-60s are now a much sought after part of the travel

market, partly because their horizons are widening and their disposable incomes are growing. Usually they have paid off their mortgages and their children are self-supporting. They are ready to enjoy themselves and have money to spend on travel. They have time to make comparisons and they know what they get is what they pay for.

More than 3m people in Britain aged over 60 are on Saga's mailing list. 650,000 copies of the Saga Magazines are distributed monthly; earlier this year it began to sell at W.H. Smith's. In a recent issue of the magazine I counted 13 different coupons for various Saga services or brochures.

The list is the envy of many other organisations, and not only of those in the travel trade. Many would like to be able to use it. De Haan knows exactly how valuable a database it is. He can offer advantageous rates for health, house, life and car insurance because it can be proved that the over-60s are more honest than the young and make fewer false claims.

Saga's own use of the list as a database has led to a major diversification. People on the list have been asking for advice on house buying. De Haan has now set up a new property division, has appointed Roger Arkell, an ex-director of Guardian Housing Association, as its managing director, and plans to invest £10m in property development in the next two years. Negotiations for sites on which to build retirement homes are well advanced in Newcastle, Birmingham and Maidstone.

Another indication of how the future is likely to develop is the setting up of Renaissance Tours, a separate division within the group. Renaissance is moving into a market segment occupied by graduate management trainees. It says a lot for the family that two trainees have worked their way through to seats on the main board.

available to anyone over 18.

An advisory board includes Sir Hugh Casson, Lord St John of Fawsley and Magnus Magnusson. Each tour will be accompanied by one of 42 appropriately qualified guest lecturers.

Subjects and locations range from Hardy's Wessex to the Maya and Aztec of Mexico, from painting in Kashmir to wildlife in Kenya, from ballet in Leningrad to national parks in the US.

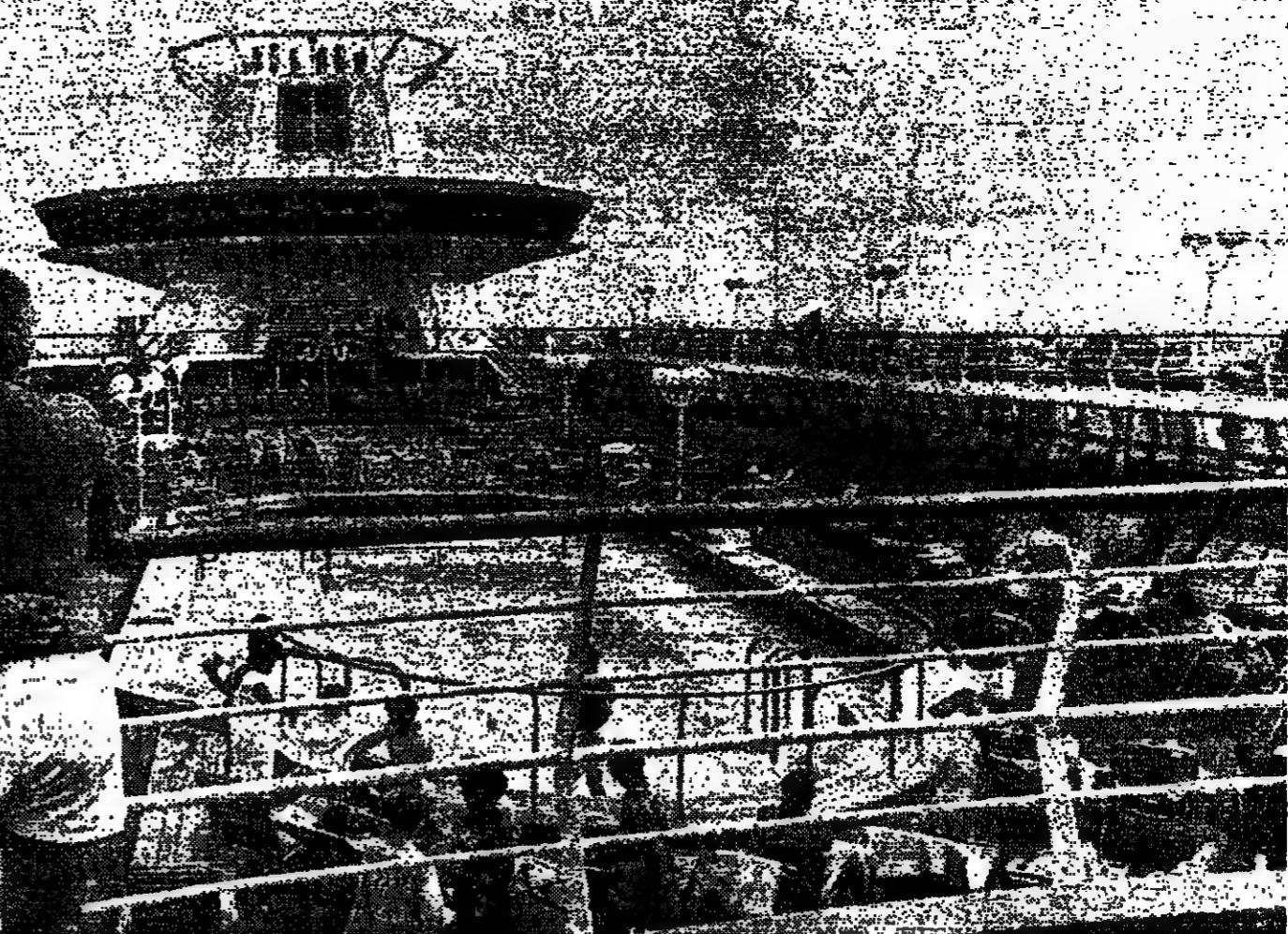
Saga has always been a family-run business, and more than 50 per cent of the shares are still owned by the family. When they need to, however, the De Haans don't hesitate to recruit from outside. It has been policy for some time to bring in a regular number of graduate management trainees. It says a lot for the family that two trainees have

written a brochure, Saga has introduced a range of long-distance tours, treks, safaris and other get-up-and-go holidays for its increasingly adventurous clients. "A reasonable level of fitness is required," says Saga. "They are best suited to people with an active rather than sedentary lifestyle."

Saga's 14-night Amazon cruise (prices from £2,249), for example, flies clients to Manaus where they will join the shallow-draft Society Explorer for a cruise into the Amazon headwaters. A second adventure holiday offers a 14-night trek with sherpas in Nepal, staying in hotels, game lodges and under canvas. Prices from £1,549.

Saga holidays are not available through travel agents. They have to be booked direct from Saga Holidays, Freepost, Folkestone, Kent CT20 1BR; tel (free) 0800-414-383.

In its 1990 Travellers World



Glyn Gamm

The view aft aboard Norwegian Caribbean Line's Sovereign of the Seas. But cruising represents only one option for the increasingly adventurous over-60s

Actively lazy days

Angela Wigglesworth strolls around Switzerland

KANDERSTEG, in Switzerland's Bernese Oberland, is the kind of place where the vicar stops the church clock from chiming during the night so that tourists can have a good sleep; where a farmer gives you a drink of milk straight and warm from one of his cows if you feel inclined to try it; and where an old lady in a souvenir shop will yodel for you if you ask her to.

It is a village of some 260

people that straggles 5 km

along its main street, with

small shops and green-shut-

tered hotels dotted between

buttercup meadows. There is a

fast-flowing stream, a tiny church and a railway station with connections to a surprising number of European towns. There is also Casi Platzer who, with his wife Buguette, runs the Victoria Hotel and who likes walking so much that he is happy to accompany guests to his favourite places if they want a guide and he has free time.

We were on a four-day break

for the "lazily active". "Not an

activity holiday in the thrust-

ing sense," says Richard

Hearn, who runs InnTravel

the small Swiss Yorkshire vil-

lage of Hemaley, "but gentle

activity that emerges naturally

out of the environment." In

other words you can do as lit-

tle or as much as you want and

the cost-of-specific activities

can be included in the price of

the holiday.

It can take three or four

hours to drive by road from

Kandersteg to Lotschenalp in

the beautiful Gasterntal, but it

can also be reached in 14 minutes by travelling

through a 75-year-old tunnel

with your car on the train.

Hens in the villages, wooden

houses and cow sheds perch on

the steep slopes and gnomes

carnival masks are sold in the

shops and decorate the walls.

We left the car at Faifer, at

the end of the valley, and

walked up along the bank of a

milky-grey stream. Sheets of

white crocus that could be

confused for the snow itself

covered the grass; marmots

whistled in the clear air.

Across a small lake, the snow

lay rippled on the mountain-

side like sand left by an outgoing

tide. The great thing about walking

in Switzerland is that there

always seems to be some red

check-curtained restaurant to

stop at for a hot chocolate or

beer. That Sunday morning in

the Gasterntal there was the

sound of music, too, as a blue-uniformed brass band

came marching through the

village.

We were rowed around the

Blue Lake by a smiling "gondolier", swung in a chairlift up to

the mountain lake at Oeh-

cheinzen, and on our last night

took a cable car 1,730 rocky

metres up to Almenegg for a

fondu supper party at farmer

Werner Reichen's small restau-

rant. He showed us how he

made his mountain cheese in a

great copper cauldron and

then, in the candlelit, stone-

floored room, he played his

long Alpenhorn on the terrace

in the still grey evening light

with nothing but the moun-

tain peaks around us. Later, over

plate-size meringues and apple

schmapps, he got out his accord-

full of the music of old songs.

"Switzerland is a strange lit-

tle country," said Elsie McM-

hill, a lively Swiss woman mar-

ried to an Irishman and our

guide at Ballenberg's Open Air

Museum of Rural Dwellings.

"Within only a few miles you

think you're in a different land

because language and houses

are different." At the museum

you can see this variety in 50

farmhouses, some 400 years

old, brought from 17 cantons.

Throughout winter, demolition

they have been dismantled

and reconstructed in this large

park. You can wander round

tiny bedrooms with cupboards

beds (people slept propped up

by pillows). In one building

smoking sausages hang from

the high rafters, while small

near vegetable gardens grow

the correct plants for the

period. A lace-maker and char-

coal burner demonstrate their

work and there are woods with

violets and wild strawberries

to wander through, picnic

areas with firewood for barbe-

ques and fountain drinking

water, direct from mountain

streams.

On the way back we stopped

at the Reichenbach Falls to

take the steep Victorian funic-

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Maturity can breed success

Anthony Curtis on elderly writers — and a fable of old age

THE GREEN CHILD
by Herbert Read
Robin Clark (29 Gooch Street,
London, W1P 1FD) paperback
£4.95, 194 pages



LITERATURE is one of those rare professions where there is no need for any regular practitioner ever to retire, save through severe mental or physical disability. The real professionals, like Somerset Maugham, P.G. Wodehouse and Graham Greene, continue writing well into their 80s, long after there is any financial necessity for further work. Some writers do retire, it is true. Simenon did, for example, but after a body of published novels far in excess of any of his contemporaries.

An interesting case is that of Shakespeare, who eventually retired from writing plays in London in order to return home to his grand Stratford house, New Place, as a landowner. How did he spend his Third Age? Did he ever pop up to London to look in on his former theatrical cronies? Yes, apparently he did; but mainly he was involved in local affairs and litigation, such as an attempt to prevent some of the land in Stratford being enclosed.

What would Shakespeare have thought of those people who do not publish their first novel until they are turned 60? The most famous historical case of that is William de Morgan, the potter and stained glass craftsman and disciple of William Morris, who in 1906, at the age of 67, published his first novel, *Joseph Vance*, and continued publishing fiction into his 80s. A novel called *The Old Man's Youth*, which he left unfinished, was completed and published in 1921 by his widow.

When famous poets survive into old age they become institutions: see Jean Cocteau of the *Academie Française*; Sir Stephen Spender eulogising Browning in Westminster Abbey the other day; and Senator W.B. Yeats, "a 60-year-old smiling public man" the guide in which he presented himself in "Among Schoolchildren." But, as Yeats pointed out, behind the public facade, the private heart continues to beat with a passion and ferocity that can present the elderly poet with real problems. Happ-

pily, Yeats himself wrested magnificent poetry out of them:

"What shall I do with this absurdity —
O, heart, O troubled heart —
Decrepit, age that has been
Deceived, tied to me —
As to a dog's tail?"

"Had they deceived us or
deceived themselves, the quiet-voiced elders?" asked T.S. Eliot. He went on to make it clear what it was they were supposed to have deceived us about that old age is a time of tranquillity and serenity.

Well, we know that it can become a time of great physical discomfort; and if we don't and we live that long "we shall find out" — as Larkin put it in *The Old Fools*. Larkin's horror of physical deterioration was in contrast to the repellent attitude to ageing of Dylan Thomas, who spoke approvingly of "savagely young King Lear," mourned the death in the Blitz of a man aged 100, and advised his elderly father to "Rage, rage against the dying of the light."

It was an earlier Irish poet and satirist, Swift, who faced the problem of an old age which has been prolonged indefinitely, a condition that is rapidly becoming a real possibility. The section describing the Struldbrugs or Immortals is one of the finest in the whole of *Gulliver's Travels* and one of the most grimly memo-

rable. On hearing of this peculiar species of humans who have been granted infinite longevity, Gulliver looks forward to encountering "these reverend sages... these superior beings" and proposes to apply their wisdom to "prevent that continual degeneracy of human nature so justly complained of in all ages."

In the event, the Struldbrugs prove to be "not only opinionative, peevish, covetous, morose, vain, talkative, but incapable of friendship and dead to all natural affection, which never descended below their grandchildren." He concludes: "They were the most mortifying sight I ever beheld, and the women more horrible than the men."

A much more benign view of old age is to be found in *The Green Child*, the only novel published by the poet, art critic and thinker Sir Herbert Read. It is a Swiftian fable about human society and its organisation published in 1935, which is good to see back in print again.

Read's hero is a Yorkshire schoolmaster who returns to his native village after 30 years in Latin America. Back home, he meets a girl whose flesh has a mysterious greenish hue, one of the renowned Green Children whom he remembers appearing in the village during his youth.

Oliver, or Oliver as he has come to be known, tells her his

life story; how he worked his passage to Cadiz and was arrested and imprisoned for possessing a volume by Voltaire; how he was mistakenly set free by revolutionaries who made him the main participant in a coup to seize power in a small, agricultural country known as Roncador, first discovered by the Jesuits; how eventually Olivero becomes the benevolent dictator of that country, and runs it on principles derived from the philosophers of the French enlightenment.

After many years of successful rule in Roncador, Olivero, in order to be able to return home peacefully to England, arranges for what everyone takes to be his assassination.

In this society, where aesthetically pure form is cultivated and contemplated in lumps of crystal, old age is revered, and such government as exists is conducted by a triumvirate of sages. Life consists of a gradual progression from the lower region, around a vast pool where sensual appetites are sated, to the ledge above, areas of contemplation and meditation. What we now think of as the Third Age consists of small groups of friends ambulating the upper ledge discussing philosophical and scientific problems.

The last stage of all in this life happens when one of these walking-talking thinkers withdraws from the group to occupy a niche of his own in solitary contemplation.

It is a dream of perfect order and contentment worked out in charmingly human terms.

Anthony Curtis, who has been in charge of the FT Books Page since 1970, will hand over as literary editor next week to J.D. Jones, and will become regular weekly book-reviewer.

Romance in the Scots myth

IMPROVEMENT AND
ROMANCE:
CONSTRUCTING THE
MYTH OF THE
HIGHLANDS
by Peter Womack
Macmillan £29.50, 211 pages

AFTER THE defeat of the Jacobite rebellion of 1745, the Highlands of Scotland were defined as a region of dangerous lawlessness. By the early 19th century, however, works such as Sir Walter Scott's *The Lady of the Lake* were able to draw on a quite different image of the mountainous north as a strikingly "romantic country" inhabited by "a people whose ancient manners and customs were peculiarly adapted to poetry."

In examining this swift, dramatic transformation, Peter Womack focuses on the themes named in his title: "Improvement" and "Romance." His analysis of the relation between the two is sufficiently lively and sophisticated to take the book far beyond a mere catalogue of stereotypes.

The 18th century impulse to "improve" the Highlands required that they should initially be defined not as an alien country but as a region at an earlier stage of development than England and Lowland Scotland. In labelling the Highlands as vestiges of an archaic civilisation, however, the discourse of improvement inadvertently accorded them "the special numinous values of relics," making it possible to surround them with a seductive aura of romance.

Even in the early stages of the Highland myth, when Scottish mountain-dwellers were

presented as fools, rogues, beggars, and barbarians ("More like a Monk, nor like Mors"), their ferocity and unctuousness were associated with qualities which often attracted praise — such as the social defiance and untrammeled sexual energy of the "ranting, roving laddie," and the "antique valour" of the mountain warrior.

Later in the 18th century, a pious and reactionary" revision of this myth of Highland lawlessness allows the clans Jacobitism to be presented as the result not of rebelliousness but, on the contrary, of loyalty to their prince — a loyalty all the more commendable for its "flamboyant fortitude."

The theme of romance encompasses, too, the classification of northern Scotland as a domain possessed of a particular power to excite the imagination and the visionary faculty. The chapter on "ghosts" is concerned primarily with the supposed Poems of Ossian, written in the 1760s by James



An assemblage by Henry Moore or Barbara Hepworth? No, they are the Callanish Stones on the Isle of Lewis in the Outer Hebrides, tall slender pillars of gneiss, set on a ridge overlooking East Loch Roag. One of the illustrations in Ann MacSween and Mick Sharp's informative *Prehistoric Scotland* (Batsford, £14.95).

Macpherson, but presented to the world as translations from a 3rd century Gaelic bard.

Womack emphasises the "oppressive" nature of both Improvement and Romance in maintaining the Highlands in their peripheral role, as "a domestic 'underdeveloped country,'" subordinated to the interests of southern, urbanised, "commercial society." The "quixotic unworldliness" so frequently ascribed to wild mountain clansmen is, he

notes, a quality "which silently ratifies the superior rationality of what they resist."

Improvement and Romance never aims at any great consistency of approach, but puts together a range of different kinds of analysis in an intelligent and stimulating manner. Occasionally — in the sections on the sublime and the picturesque, for example — Womack lapses into mere textbook-like diligence.

More often, the reader is

presented with a succession of sightings observations and intuitions — such as the suggestion that hunting is able to assume such a prominent place within the myth of the Highlands in the 19th century by virtue of its ability to reconcile the security and banality of tourism with the Romantic fantasy of crossing into a remote, unfamiliar world.

Chloe Chard

VOLTAIRE WRITES: "J'étais à Londres, en 1753 quand l'avare de la jeune Elizabeth Canning fit tout de bruit."

Voltaire was not in London then. Why did the case of the girl Smollett called "an obscure damsel of low degree" compel Voltaire to lie? Why did it set Henry Fielding against the Lord Mayor, Sir Crisp Gascoyne? And why did it engender a nine months' prodigy of pamphlets, articles and advertisements in London?

In *The Canning Enigma*, the late John Treherne teased the tangled yarn into traceable threads, and with tactful intelligence uncovered the case's fascinating inconsistencies, laying bare unanswerable questions.

The Canning case, a moment to adversarial legal process, turns on two sets of opposing evidence involving more than 70 witnesses.

The details on New Year's Day 1753, Elizabeth Canning disappears while returning home from her aunt; she reappears

Flirting with truth

THE CANNING
ENIGMA
by John Treherne
Jonathan Cape £11.95, 164 pages

on January 29, hungry and half-clad, at her mother's house; she claims she has been abducted near Bethlehem Asylum in Moorfields, robbed and imprisoned in Enfield Wash;

she delivers her story to the Justice of the Peace for Westminster and Middlesex, Henry Fielding.

Fielding believes her. Canning accuses Mary Squires (gypsy) and Stepmother Wells (herdsmaid, Enfield); Squires is indicted and found guilty of abducting and robbing her of one pair of stays and ten shillings, and of keeping her at Wells' house for four weeks. During the trial, crowds throng the court and assault the defence witnesses; Wells is branded on the thumb, Squires sentenced to death. But Sir Crisp Gascoyne is struck by testimony showing that Squires was not in London, but

visits defence attorney William Davy gather 41 witnesses to show that Elizabeth Canning perjured herself on April 29 1754. That trial lasted eight days, caused a public furor fit for the Mayor to read the riot act outside the Old Bailey, and resulted in Canning's deportation to America, guilty of "wilful and corrupt perjury."

A slew of pamphlets had filled up the interim between May 1753, and April 1754, as medical opinion, moral discourse and popular sensation vied for attention and profit.

Fielding wrote of the case "consisting of many strange Particulars, resembling rather a wild Dream than a real Fact." But his continued belief in Canning occasioned a revenge on Fielding by the mountebank scholar and playwright Dr John Hill of the Co-

ent Garden Journal. Elizabeth Canning died aged 40 in 1763, a quiet, respectable member of New England society. Her noisy case coincided with the contemporary appetite and technological capacity for those pamphlets and advertisements which percolated through London coffee house society; with two lawyers, Davy and Myles, who knew the value of public opinion; and with serious rational concern about the nature of truth.

Johnson's friend Allan Ramsay, found it "no less than an enquiry into the nature of moral evidence, the axis upon which all human affairs turn." But Voltaire, whose account flirts with truth, uses the case to indicate his prejudices about French legal process: "Heureusement n'est secret parce que le châtiment des crimes est destiné à être une instruction publique aux hommes, et non pas une vengeance particulière."

Andrew St George

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A slew

ARTS

Lessons to be learnt from the Met

IN THE next few weeks Mr Jeremy Isaacs, general director of Covent Garden, must somehow find a solution to the £3m deficit which threatens to overwhelm the Royal Opera House, as well as settle the irritating dispute with his corps de ballet which has cost the beleaguered House over £80,000 in lost box office revenues.

If he has time he must envy the apparent calm which surrounds a fellow 57-year-old Englishman, Hugh Southern, who last autumn took over as general manager of the Metropolitan Opera in New York. The operating expenses at the Met last season, at \$91.6m, were almost twice those at Covent Garden, but a minor dip into the endowment fund gave the Met a surplus of \$16.8m. Has Mr Southern any advice for Mr Isaacs?

Well, for a start it helps to follow on from a tough predecessor. Bruce Crawford, a former advertising executive, had been president of the Met since 1984 and two years later added the job of general manager, which he quit last spring. In his time he eliminated an annual deficit of \$8m, mainly by cutting part-time staff by 800 to 1,200; cancelling the loss-making annual tour; attracting new recording work; and, by concentrating on a more popular repertoire, boosting box office revenue by raising audiences from 83 per cent to over 81 per cent. With the Met's vast 3,000 capacity, this is the most painless way of balancing the books.

These are obvious changes, well within Jeremy Isaacs' capabilities. What he would find more difficult is transforming the whole philosophical basis on which Covent Garden is funded compared with the Met. Last season the Royal Opera House received 44 per cent of its £26m revenue in the form of a grant from the Arts Council: in comparison the Met derived just \$2.4m in this way, around 3 per cent of its revenue, with \$1.14m coming from

the National Endowment for the Arts, (formerly managed by Hugh Southern) and most of the minimal rest from New York City and State.

But if the Met cannot look to public funding it has one overwhelming asset almost totally lacking from the British arts scene – the public, the hundreds of thousands of loyal supporters who give to the Met each year. All contributions last season swelled the Met's coffers by \$24m, making them almost equivalent in importance to the Arts Council grant for Covent Garden. Can such giving be transplanted across the Atlantic?

Almost certainly not. Americans can subscribers can claim their generosity back against their tax liabilities, and although this may not be the overriding

anniversary this season and pipe Met productions to an audience of up to 7m, listening through 300 local radio stations. Many of the \$50 donations come from these remote fans, whose love of opera has been developed over the decades through this American institution. For 1989-90 six television broadcasts have been added to the schedule, including Wagner's *Ring*.

On top of this mass band of friends the Met has perfected a caste system consisting of rings, reminiscent of Dante, in which supporters pass from Supporting Patron (a donation of \$2,000 plus), to Sponsor Patron (\$3,500 or more), to Benefactor Patron (upwards of \$6,000) to the Presidents Circle (\$10,000 or more), to the dizzy heights, occupied by 70 odd

its supporters do not live in New York and she reckons the city is so large, cosmopolitan and democratic that there is no one cultural pinnacle. "Most of our friends are fanatics brought up on the radio broadcasts who are more passionate about opera than about schools or hospitals." The opening gala night will be a bit like the day seats at the Met for \$15, and lots at \$45, making it much cheaper than a Broadway musical. Even the box seats at \$105 compare well with Covent Garden.

The Met has built up a loyal audience. Equally significant for Covent Garden must be the fact that 58 per cent of the Met's seats are sold on subscription. There are no discounts for the subscribers; just the certainty of seeing the productions featuring Pavarotti and Domingo as well as the increasingly prominent home grown stars like June Anderson.

It has been a policy at the Met, which Southern will energetically pursue, to field more American singers. The Met still attracts the stars, mainly because of the reputation of its artistic director James Levine (and its TV transmissions) but it refuses to pay exorbitant prices for them. Its top fee is \$10,000 a performance, well below that of Covent Garden or the leading continental opera houses. (It is an under-stated fact that the comparative fees of leading opera singers have fallen steadily. A century ago Patti was earning \$10,000 a night at the Met. These days the big voices clean up at concerts and use the opera houses to maintain their reputations.)

Marilyn Sharp acknowledges readily that while the ideal is to make the supporters of the Met feel like one big happy family, joining the gang through personal contact and love of opera, hard pressure sales techniques are increasingly employed to maintain the level of contributions. She deplores cold telephone calls to prospective donors, but they



The New York Met has one overwhelming asset over the British: a loyal public which can be relied upon to support its box office receipts.

As Covent Garden faces a £3m deficit, Antony Thorncroft looks at the philosophy behind the successful funding of the Metropolitan Opera

rich opera fanatics, who have pledged \$100,000 over three years to the Met.

There are even more generous backers, many of whom are foundations or charitable trusts, who give in excess of \$250,000, culminating in Mrs Donald D. Harrington, an oil widow, who has pumped many millions of dollars into the Met over recent years. The interest from her munificent contribution to the \$100m centennial endowment fund has financed eight of the 26 productions in this year's repertoire, including the new production of Zeffirelli's *La traviata* which opened the season. Since this very lavish show cost well over \$2m to mount the generosity of Miss Harrington is awesome.

Marilyn Sharp firmly dismisses the argument that the Met is underpinned by the snobbish wives of the nouveaux riches desperate for social acceptance. Over two thirds of

its supporters do not live in New York and she reckons the city is so large, cosmopolitan and democratic that there is no one cultural pinnacle. "Most of our friends are fanatics brought up on the radio broadcasts who are more passionate about opera than about schools or hospitals."

The opening gala night will be a bit like the day seats at the Met for \$15, and lots at \$45, making it much cheaper than a Broadway musical. Even the box seats at \$105 compare well with Covent Garden.

have become essential. "Now it is more marketing than development, which is not so good psychologically." Other fund raising approaches which could be adopted by Covent Garden include an annual raffle, which raises \$1m, and an emphasis on "planned giving," a delicate euphemism for "please remember us in your will."

While the Met has perfected private giving, it pays much less attention than Covent Garden to corporate giving. It receives under \$1m from this source (Covent Garden raises more from business). "We can't give the bang for the buck," says Marilyn Sharp. "Companies get more visibility in London than we can promise them in New York." An exception is Japanese corporations, that have been encouraged to form a supporters club which finances a tour by the Met to the Far East last year.

But an opera house should be more than a successful business operation, and there has been criticism that the Met has solved its financial problems by going for a bland, undemanding, diet of operatic classics. Certainly there have been new operas presented in recent seasons. But since the Met's economic crisis was prompted by a slump in audiences in the late 1970s and early 1980s when it tried to be more adventurous in its programming, such caution is understandable. It discovered that it could attract good audiences for the opening performances of *exom-ordre* or little performed operas, but that when they reappeared in the repertoire the house was once again empty.

The Met has one other advantage over Covent Garden's rival,

New York City Opera, has hit a crisis, with striking musicians playing havoc with its season. In addition the NYCO has tried so resolutely to be populist, by flirting with stage musicals and operettas, and by being relentlessly tricky in its productions of the classics, that some of its supporters have become disillusioned. In contrast Covent Garden's rival, the English National Opera, has managed a successful run of new productions which when not admired by the critics have been controversially discussed.

This season the Met is off to a flying start, with attendances reaching 97 per cent of capacity. Yet Hugh Southern has to live with the experience of Jeremy Isaacs – the dominance of James Levine, who has been artistic director for 14 of his 20 years at the Met, yet is still only 46. Levine has traditionally been the figure head. He has kept the repertoire along traditional lines, with a bias for the German classics as against bel canto operas. He is credited with making the Met chorus and orchestra the best of any opera house, but also criticised for keeping rival conductors out of the pit.

Southern will have to work in the same direction as Levine and slowly infiltrate his own priorities. He wants more American directors and singers; he would like the Met to perform more Handel; he will develop the television transmissions and explore "pay as you view" video; and he wants above all to make the Met the voice for opera in the US. Also he would like to realise some of the projects talked about for years, such as a "mini" Met. There are links with the Brook-

lyn Academy of Music which could form the basis of a programme of chamber operas. And a sign of the new financial confidence the Met has commissioned two new operas, one by Philip Glass.

With 224 virtually non stop performances every season the Met is more of a production line than Covent Garden. "It would be rash to say that all were at the very highest level, but the general quality is high," says Southern. He knows that the New York audience is musically sophisticated – audiences fall of second rate, or badly balanced, casts are fielded.

To emulate the Met's financial security it would seem that Jeremy Isaacs will have to fund raise on an unprecedented scale among the rich and, at the same time, a growing new generation of opera lovers. In the meantime providing a consistently high standard of performance of interesting productions could raise attendances at Covent Garden that extra 10 per cent which would largely solve the ever-lasting financial crisis which has plagued the House for so many years.

THIS EXPECTATION of a quietly prosperous year for the arts in 1990 has already proved a phony hope. It was always maintained, stridently at times, that if the arts were given enough money they would perform wonders. A pleasantly bemused Arts Council received £18m more than scheduled from the Arts Minister, Mr Richard Luce, in November and in total has £174.5m to distribute in 1990-91.

Immediately the Big Four – the RSC, the ENO, the Royal Opera House Covent Garden and the National Theatre, the favourite sons of the chairman of the Arts Council, Mr Peter Palumbo – received the full 11 per cent increase in their grants.

But after that burst of generosity the Council has decided to use its extra money to flex its imagination – and its muscles. There is going to be no general across the board increase in grants: in fact for Kent Opera there was going to be no money at all after next November and it promptly committed hari kari. The other 150 odd arts organisations that rely on the Council for support will receive something, but in the barrage of 1989-91 grants released this week the Council reveals that it is not going for an easy life. Some arts groups are now contemplating stand-still subsidies or even cuts. The financial honeymoon is over.

Focus on the camera

AS USUAL, the end of the holiday is as well spent in a major museum as in Cork Street. The Victoria & Albert has had its troubles lately, but it is still one of the world's great treasure houses, to which a visit can never be a waste of time to anyone with eyes in his head, and a mind, and a soul. The present scandal and argument centre only upon the consequences of decades upon decades of gross underfunding and neglect by successive governments, in whose care it lay, compounded by internal complacency, inertia and division. Such questions at least are now being addressed, and we must hope that the 1980s will see them properly resolved.

If the collections themselves are not enough, there are usually several small exhibitions current, if not the major efforts of the past. Three shows now on are typical (one of which, the Searight Collection, will be reviewed by Susan Moore). The other two are both photography exhibitions to mark the medium's 150th anniversary, which is only right since the Museum holds one of the nation's principle collections of photographs.

Clementina, Lady Hawarden (until January 28) was one of those aristocratic amateurs, fortunate in the means and opportunity to pursue an interest, who were photography's true pioneers. She took to photography in the mid 1850s, when her husband succeeded to the title and the family estates at Dundrum in Tipperary. In 1859, the family returned to the house in

Princes' Gardens, South Kensington, which was to be the setting for all her subsequent and by far the larger portion of her work.

By the time of her death, at

only 42, early in 1865, she had established a considerable public reputation, but after one memorial show later that year, her family withdrew all her material and she was soon forgotten. Only with her daughter's presentation in 1940 to the Museum of that family archive did the process of retrieval begin.

Even now she remains a shadowy figure, who left no certain image of herself. She knew Julia Margaret Cameron, whose reputation lasted and is now secure, and whose work her own resembles in some respects. But while she stands her clear equal as an artist, she is quite distinct in her achievement. There is the same emphasis on the statuesque and significant pose, often set up in symbolic tableau, yet in Lady Hawarden's work there is very little of the Tennysonian romanticism and sentiment of Mrs Cameron.

The room at Prince's Gardens is empty, the curtains swept back and light flooding in from the balcony. The models, as often as not daughters Isabella or Clementina, sit or stand in the simplest of poses, half turned towards the camera, to catch a profile in the glass, or turned quite away, self absorbed. In the clear light, the formal presence of the figure is all, the fall of the shawl and full sweep of the crinoline turning all to sculpture. It is how things were that

touches us across the century, for it is how things are: "Sweet day, so cool, so calm, so bright," and these pretty girls caught in the sunshine in even then, their old-fashioned, pantomime, dressing-up clothes.

The other photography show (until March 18) is typical of Pirelli's imaginative individual interventions. Chris Killip was invited to put together a folio of impressions of Pirelli's tyre factory at Burton-on-Trent. He asked only for unsupervised access for 24 hours, which he spent looking not so much at the process itself, nor the place, as at the men at work, inalienable individuals though caught up in the factory's relentless business. He has produced a set of portraits that are at once anonymous, common to us all, and monumental.

William Packer

Enescu celebrated at the Wigmore

THE MORE familiar "Georges Enescu" is, we learn, only a French version of the Romanian violinist-composer's "George Enescu" proper name. (If I had a New Gramophone, I'd look up the spelling preferred there: given its battry ways with Eastern names, it might be "Aynesca" or perhaps "Unesco.") At any rate, there is now a devoted George Enescu Society of the United States Inc., and on Thursday it sponsored a recital by the violinist Sergiu Schwartz which included the 18-year-old Enescu's Second

Sonata, op. 6, for violin and piano.

Like Schwartz himself, the Sonata was evidently worth hearing indeed, it seems to be a kind of misnomer to call what the Society hopes to do right! – that this shapely, fascinating work hasn't entered the repertoire. Many a good turn-of-the-century piece got lost, of course, in the subsequent anti-Romantic shuffle. Young Enescu's style was Romantic-adventurous, but never inflated, strongly imbued with personality and also (one assumes) with Romanian char-

acter, and the writing for both instruments is grateful, assured and effective. A record by the composer and Dinu Lipatti, which includes the more unbuttoned and pyrotechnical "Timișoara" dans

le style possible by "roumain" toccata, can still be found.

But the idiosyncratic pianist

was Lorin Walfisch, a founding member of the Society, and Schwartz's clean authority and warmth were as appealing as his precisely imagined colour contrasts. The rest of the programme comprised an exhilarating account of Bloch's "Baal

Sheva" Suite (Schwartz is Israeli) and another of Ysaye's third solo Sonata, the demanding "Ballade," legendary in the trade and this time superbly expounded – not to mention Schumann's and Bartók's. Not to mention them, because there found the compositions very ill at ease (feebly reticent) in the former's impassioned "First Rhapsody"; but Enescu and Ysaye were more than enough to justify the evening.

David Murray



Untitled photograph by Clementina, Lady Hawarden of her daughter taken at 5 Princess Gardens

Video My chronicle of woe

SOFTWARE-WISE we are in dire straits this month. After the Christmas deluge, bought but a trickle of quality titles to begin the new year, more emu.

It is perhaps as well since hardware-wise, I am in even direr straits this month. Many of you have written to me over the years about the machinery and of the video experience.

How your VCRs rear up and bite your fingers; how they

mince your cassettes or chew your tape ribbons. Or how your TV screens, when switched to the video channel, develop knitting patterns, twitches or blinding glares.

I want you to know that you

do not alone. What can you

do about such problems?

According to my experience,

for less than one would wish.

The well-known man at whose

service centre my own

hire-purchase TV is now

sitting for its umpteenth

examination – I will not name

it for fear of letting loose an

explosive – has treated me

to nearly three years of broken

appointments and poor service.

Its most endearing trait is to

have a service centre telephone

number on which most of the

time no one can be reached.

Its second most endearing trait is to return your set with no

notice either of when it is

coming or of what has been

done. A service report? A

Kindly note assuring you that

after thorough examination,

all is well? Hope? In vain.

Hope? In vain? I let

the name slip; ah well – is

now holding my TV in its

indefinite custody, because

I indicated that this time I did

not want it returned without

a letter reassuring me on two

simple points. One: the tube

Hands on Romeo

Martin Hoyle reviews the RSC at the Pit

BUT SOFT! What show through yon Pit's darkness breaks? It is a Stratford transfer, and a dud.

The RSC *Romeo and Juliet* that has just travelled from leafy Warwickshire to murky EC2 was originally mooted for a young Turk from the more iconoclastic reaches of opera production. On finding his Romeo's rehearsal time infringed by preparations for *Hamlet*, he declined, thus giving Terry Hands the chance to shine in his dual role with the company: director-cum-St Sebastian, elegantly posed for the usual critical slings and arrows.

In fairness, he has produced an intelligent young couple of lovers. Georgia Sloane is fresh, spontaneous, impassioned, if ultimately unvaried in her clamorous grief - the old cliché springs to mind: no actress can combine Juliet's youthfulness with the emotional maturity the part requires. Mark Rylance's Hamlet is much acclaimed. But his all-panting, all-droning Romeo, mannered, leader of pace and cripplingly self-conscious, lets the temperature drop every time he takes the stage.

This is the last thing the production needs. It even starts, intriguingly, with the threatening sword-drawing warplay of the opening dialogue drowsily intoned by Latinate idlers basking in the sun. Later the repartee between ebulliently amorous Romeo and witty Mercutio deliberately gropes, pauses, fumbles. Naturalistic, perhaps, but neither the Petrarchan richness of language nor the exuberant reveling in verbal fencing is apparent. These young bloods are hardly a bundle of laughs. Only Malcolm Ranson's sword-fights erupt into life.

One feature that emerges plainly is the disruption suffered by the lovers' unfortunate households: never have two families alike in dignity been noisier. Yet there are moments of truth. Bernard

Horsfall's Capulet is played mainly on a note of jovial, gibbering lunacy recalling the imitable Richard Mulligan (Burt in *Spoil*), but his alternating tenderness and violence towards his daughter after Tybalt's death convey the explosion of pent-up passions of a man under strain who can take no more. Linda Spurrier's Juliet confuses Lady Capulet sheepishly offers to stay with Juliet on her wedding-eve, evidently regretting her former harshness, and is patiently rather hurt when her company is rejected. Glimpses of fuller lives, an emotional context, relationships; but not enough.

David O'Hara's dry Scots Mercutio grows in stature, though the Queen Mab speech takes on the pawky tones of those whimsical Caledonian monologues so often a feature of New Year's Eve television. We half expect him to throw in a mention of Greyfriars Bobby. His death offstage, where he has been carried, grumbling to the last, with no hint of the gravity of his wounds, is effective in the cool, off-hand style affected by the younger Veroneses set. The final tableau, as the heartbroken fathers clasp hands over the corpses and birdsong chirpily heralds the new day, is sheer kitsch.



Georgia Sloane: fresh, impassioned

Radio

Crashing into the '90s

WHILE TELEVISION tended to mark New Year's Eve with summaries of the late decade's main events as recalled by their favourite performers, BBC radio remained modest. An hour on Radio 1 by the *Newsbeat* team; an hour's *News Huddles* on Radio 2; a selection of *The Best of 93* throughout the day on Radio 3; a comic *90s R&P* and a sweet *Cream of Cat's Whiskers* on Radio 4. Then we crashed into the 90s with U2, Chris Stuart, Leopold Mozart and the News report.

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except difficulties of production. It is a fine play highlighting the problems of a new wife in a mother-dominated house, and ought to be played all over the land. Bill Nighy was Luther, whose wife Minnie (Samantha Bond), with her tiny fortune, is so resented by his over-maternal parent (Ann Rye) - all excellent.

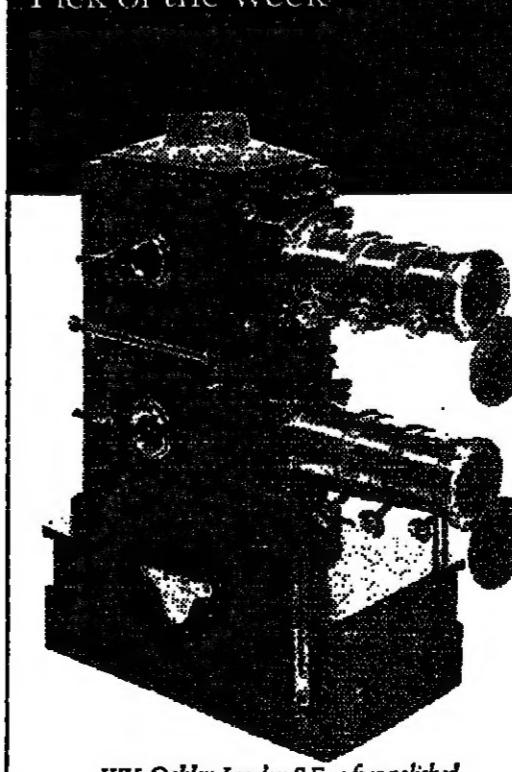
Once more, the Friday afternoon serial on Radio 4 has gone for a little-known work of a well-known writer, *Jim Davis* by Masefield. The first of four parts broke off just as 12-year-old orphan Jim (Nicholas Pickard, fine) found himself aboard the smugglers' lugger when he should have gone home to tea with Mrs Cottier (Marlene Sidaway) and 9-year-old Hugh. It's all very exciting, and as good for the young as the adult.

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B.A. Young

Pick of the week



WH. Oakley, London S.E., a fine polished mahogany bodied binocular magic lantern.

Estimate: £800-1,000

CHRISTIE'S

THIS VICTORIAN magic lantern is included in the auction of Cameras, Photographs and Related Material at Christie's, 85 Old Brompton Road, London SW7 on Thursday 11 January at 2.00 p.m. It will be one of the highlights in a sale that includes a selection of daguerreotypes and ambrotypes, 19th and 20th century photographs, photographic literature as well as optical toys, slides and projectors, cinematographic and Leica cameras.

The 260 lots will be on view on Wednesday from 9.00 a.m. - 5.00 p.m. and on the morning of the sale from 9.00 a.m. - 12 noon.

For any further information on this and other sales please call (01) 581 7611.

8 King Street, London SW1
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164-166 Bath Street, Glasgow

A scene from the Pergolesi *Stabat Mater*

Modern dance to the baroque

MOZART AND the Violin Femmes, Stravinsky and folk music, Indian music, Schoenberg, John Adams and Johann Sebastian Bach... Mark Morris has choreographed all of these; and his taste in music and musicians is among the most interesting facets of his work.

Deeply musical, he seldom tries to create any period sense in his response to old music; and in this respect, as in many others, he is a thoroughly American artist. His *Dido* (Purcell), though archaic, was not baroque. His Brahms waltzes didn't whiff of 19th-century Vienna. He choreographs as if Purcell or Brahms or whoever was turning out the stuff right now. Isn't this what the director Peter Sellars is trying also to achieve in opera? Morris has collaborated with Sellars on both *Le Nozze di Figaro* and *Nixon in China*. But he is a far greater artist in works that are all his own.

What music does he return to most? Baroque. Last season's two big premieres were set to English master-scores - Handel's *L'Allegro, il Penseroso ed il Moderato* and Purcell's *Dido and Aeneas*. In late December, he brought to the Théâtre de la Monnaie, Brussels, programme of choreography that he had made in America between 1984 and '86, set to Bach, Vivaldi and Pergolesi. The music was played on original instruments; and in lower, authentic keys, by the Orchestra of the Collegium Vocale, Ghent. Spruce sound-shaped by the firm, alert conducting of Philippe Herreweghe.

The soprano Julianne Baird sang in both Vivaldi's *Amor, ladi vinto* (R.V. 651) and Pergolesi's *Stabat Mater*. To call her America's Emma Kirkby would be too crude, but she cultivates a similarly white sound, and similarly avoids chest register or vibrato; this is not a style I adore. Yet there was much subtle expressive singing - from the trio of her Vivaldi to, in the Pergolesi, her soft, diminishing to softer, utterance of the slow syllables of "Dum emitit spiritum," her way with which has haunted me ever since. She was joined in *Stabat*

Mater by the American counter-tenor Drew Minter, who, though not always comfortable with the exposed vocal line here, is an eloquent artist.

The athletic modern freshness of Morris's movement in this triple bill recalls two senior American dance masterpieces - Balanchine's *Concerto Barocco* and Paul Taylor's *Explode* (both to Bach). No accident; this Morris's historical sense is acute. The opening of his Bach work, *Marble Halls*, nods to both *Concerto Barocco* (the two vertical lines of the corps de ballet) and *Explode* (the flac-and-rust vests and shorts). And much of *Marble Halls* uses *Concerto Barocco*'s structure - the two soloists, the corps of eight.

But, deliberately unlike Balanchine, *Marble Halls* is equal-opportunities cho-

reographer (one of the soloists is male, the corps is not all-female). This is so in most of Morris's work. It is not unisex, certainly not androgynous. But it is never based on the premise of an absolute male-female divide, the sexist premise which classical ballet has often made so profound: Note, too, that some of Morris's dances are black and the female soloist here is tall and strongly built, the male medium-height and slight - Tina Feilstein and Keith Saba, both superb.

How disconcerting that all this is played within a strictly formal organisation. ("I'm a real structure queen," Morris once said in a *Meet the Choreographer* session in London.) In *Marble Halls* you see baroque music's delight in canon, counterpoint, polyphony, solo-tutti or concerto-soloismo structure. You see it.

So yes, dance scholars could analyse his work one way as an object-lesson in the modern dissolution of old cultural stereotypes, another way as to illustrate

repetitive, aria, da capo. You laugh at the deadpan melodramatic gestures used for such words as "abandonado," "in ogni vena" "palpită" and the smart way in which Morris sets gesture to recitative, dance to aria, and shows the overlap between the two.

You no sooner laugh, however, than you're touched. The relish Morris finds in Vivaldi's rhetorical flourishes gets under your skin; and the rich footwork and legwork of the dances has an astounding brio. One series of quick single turns, perfectly set to the words "in questo e in quell'altra onda" stays with me above all - the kind of step you want to practise in private for fun.

Lastly, the Pergolesi *Stabat Mater* - another to keep the analysis busy. It is probably the hardest work Morris has made to comprehend, especially at a first viewing, and its language, though studded with many glorious images, is not so consistently lovable as in many of his other works. And then, what is it saying? The choreography is for 12

dancers, never in groups smaller than four. You see no real "mater" and not much "stabat."

Yet what an extraordinary work. Its intricate formal processes work at the various meanings of the *Stabat Mater* like a prism refracting light - as the music does. You see hints of the Crucifixion, the Deposition, the Pietà, you see them multiplied, fragmented, given with gender-reversals, and all the while you are taken, with gathering intensity and concentration, from grief through supplication to exultation - as in the words. There are three sets, each with a different view of the Cross, each view more distant but also more clear. In the last scene the Cross takes on different colours - red for "Inflammatus," dawn-pink for "Quando corpus mortui" and like a window into a white sky for "Amen."

Few artists could be further from Wagner in tone than Morris, and yet Morris's development of the changing meanings of the Cross recalls Wagner's treatment of the several sides of Good Friday in *Parsifal*. Like Wagner, too, is the way Morris loves - in so many works - to elaborate motifs during the course of a work and then to have them winging their way home to roost as the work draws to a close. Each motif is itself plainly expressive - the tense crouch, the urgent jump, the sudden collapse (to a sudden silence in the music), the sobbing contraction. But each is so worked into long, taut phrases that you can't neatly label it.

The programme was greeted with respectful applause. No boos, but no fervour. It is widely said in Brussels that the Belgians are traditionalist and loyal to Bejart ballet, which alarms me no less than if a movie buff told me that his purism made him loyal to Ken Russell. "Disconcerting," "disarming"; these are natural words to apply to Morris. But just keep on looking. These are works that teach you about choreography as a formal art and about music; and then what they express is complex and moving. They show a spirit that matches the composers he uses.

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B.A. Young

Just a load of softies

JON BON JOVI (what a magnificent name) and his mates from New Jersey are just a load of softies. Billed as the world's number-one heavy metal band, and with record sales that are rumoured to outstrip those of U2, the quintet are about as threatening as a Barbara Cartland hero. Their Wembley concerts this week owed more to Gary Glitter than to the real nasties of HM, the likes of Anthrax and Megadeth.

Bon Jovi, the man, came on strong, promising that he was going to take no prisoners, that he was after our souls, and dancing around with clenched fists shouting "I want you, Tyson, I want you Arnto," but within an hour he was going through a bonding ceremony on stage, holding hands with the rest of the band, being maudlin about Berlin, and virtually licking the audience. This mammoth global tour is, after all, billed

as The Brotherhood.

The songs, too, are basically romantic ballads dressed up as heavy rock, without the mindless thrash of heavy metal. They are tuneful enough for the CD crowd, with catchy singalong choruses.

"You gave love a bad name" is the ultimate cross-over song, to be enjoyed by both bikers and boy scouts. The only trouble is that Bon Jovi was not in great voice and the sound, surging through speakers suspended from the ceiling, was decidedly mucky.

But despite the music Bon Jovi put on a splendid show. The man is small and beautiful, with wonderful accessories, ranging from leather overcoats to plastic trousers. The rest of the band have equal visual appeal, the guitarists rushing the thrust stage like an SAS unit, and the keyboard player straining for action as he dives between two decks.

Each song is a theatrical production, peaking when a staircase descended from the



Not such heavy metal: Jon Bon Jovi at Wembley Arena

roof enabling the band to pass from the stage over the heads of the audience and into the well of the hall. It's a minor experience to ponder Jon Bon Jovi from underneath.

With its Roman Candles, searing lights, good film projection, and the carnal posturings of JBJ, this was undoubtedly a spectacular.

But I had no fear for the girls waving the banner with the strange device "To the Brotherhood. We don't mind living in sin. From the Sisterhood," even when the song "Living in Sin" was finally performed. And the girl with the "Youth gone wild" T-shirt looked like an off-duty nurse as she gently swayed to "Blood on blood."

Bon Jovi are terrible teasers,

allowing just a gentle frisson

of depravity to spice up what

would otherwise be a decent

neighbourhood act. Roll over pussycats.

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Antony Thorncraft

Stanley Sadie

SPORT

Into the Third Age: Keith Wheatley looks at the booming world of seniors' golf and John Barrett gets a resounding tennis lesson.

The veterans who've never had it so good

TWO WEEKS from now, Jack Nicklaus turns 50. "Just another newspaper anniversary," chorus the cynical. "Roll out the valedictory profiles." For Nicklaus, though, it represents a new beginning. By reaching his half-century, he is eligible to join that extraordinary sporting entourage, the senior tour - the Third Age of golf.

Just before Christmas, one of the most charismatic and popular figures in the recent history of the game, Lee Trevino, racked up his two score and 10. Now Trevino, too, can join his contemporaries on a 30-event series that is nearly as lucrative as the main USPGA circuit.

With the explosion of interest in golf generally, there are probably too many "stars" nowadays for individual players even again to achieve the Hollywood-level glamour of a Nicklaus or an Arnold Palmer. At the first day of the 1989 British Open at Troon, it was Palmer, Trevino, Gary Player and Tony Jacklin who drew the crowds. Nick Faldo, Greg

Norman and Curtis Strange were tipped to win, but the fans wanted to see gods.

Despite his record haul of 20 major titles, Nicklaus knows he is unlikely to capture another over four stress-filled days against men 20 years his junior. Instead, he plans to enjoy himself - and win millions more dollars - playing against his chums. "I want to win a tournament on the regular tour and the senior tour in 1990," says Nicklaus. "This is the first goal I have set myself in 10 years."

Trevino, an effervescent Australian born so far on the wrong side of the tracks that you'd need binoculars to see the train is more direct on the charms of the senior tour. "Why would you want to swing and lose against the golfers when you can have fun and win among the round-hangers?" He added. "In no other sports are you going to find a 50-year-old man with a second chance to make a tremendous amount of money." Having won - and lost, through poor investments - an estimated \$10m-plus, Trevino knows the

value of a dollar. He is also on fun, a commodity increasingly rare in professional sport.

As a recent "retiree," Trevino sees a good chance to break the record for the most money won in a single year on a senior tour. The leader of the 1988 money list was New Zealander Bob Charles, winner of the 1983 British Open. He collected \$667,771 in 23 events, finishing in the top 10 in 20 occasions. Charles provides an interesting example of the contrast between the rewards for a journeyman professional on the main tour and the rich pickings with the "pros' pros."

In 1985, he finished 55th in the senior tour and won a total of \$21,000. The very next year, in 1986, he finished 50th there but he didn't need the money. Gary Player didn't need the money, either, but he went out because he wanted the competition.

Nor does the gravy stop with prize money. Golfers remain a predominantly middle-aged, conservative group. They like to see their favourite products endorsed by Trevino just as well as by Mark Calvacchella - so long as Trevino is still

winning somewhere. Manufacturers remain willing to pay the seniors handsomely.

Money, according to Trevino, is not the main draw. It just adds mustard. As Super Mario puts it: "Arnold Palmer is out there but he doesn't need the money. Gary Player didn't need the money, either, but he went out because he wanted the competition."

"That's what I want, and I'm just thrilled about it. For the first time in many years, I'll be playing against people of my own age - and I'm going to take it seriously and enjoy myself." Trevino promises to



Lee Trevino, top; Gary Player, centre, and Arnold Palmer; all stars of the senior tour.



Arnold Palmer, right; Lee Trevino, left; and Gary Player, centre; all stars of the senior tour.



Arnold Palmer, right; Lee Trevino, left; and Gary Player, centre; all stars of the senior tour.

play the full 1990 senior tour and hopes to do the same thing in 1991 and 1992.

Player, who won nine major titles in a career that would be impossible for a South African golfer now, waxed lyrical on the joys of competing as a senior. "We have big crowds. We're winning more money than we ever did as top tournament players and it's the fastest-growing circuit in the world."

"There is a great camaraderie between the professionals and the amateurs which is missing from the regular tour. We don't just play with ama-

teurs in the associated pro-games - we attend receptions with them and talk about our grandchildren with them."

The

senior circuit is noted for its humour and sheer enjoyment - something that communicates itself to the crowds, who find themselves very much part of a recognisable sporting event rather than the televised extras at a sponsorship party. Unfortunately for British fans, there are still only two events for seniors in the UK: the Volvo tournament, held at Tumbley in July, and the Trusshouse Forte Seniors, organised by the Professional

Golfers Association, which goes this year to Brough, near Hull.

"In the States, they have the sheer numbers of former tournaments professionals which we haven't yet got in Europe," says Michael Robinson, of the PGA's tournament section.

"We'll be looking at a different picture in 10 years' time once we start to get our own big names through."

Certainly, the prospect of being able to savour Faldo, Sandy Lyle, Severiano Ballesteros and Ian Woosnam playing tournament golf for another 25 years, rather than

another 10, is enticing for any fan. One can only speculate about how well the mercurial, sociable talent of, say, Lyle would blossom again amid the mateness of a seniors' event.

While critics - including Lyle himself - complain that there is too much money in professional golf for the sport's health, the atmosphere among the seniors shows that the core of the game is sound and true.

If the prizes were cut by 90 per cent, many of the players would still turn out. As Player notes: "There would have been a void in my life if the senior tour had not been invented."

Geoff Patch won the indoor 50s' title in 1978. But lest any of these good folk get carried away with their success, they should remember the example set by Arthur Gore.

This Old Etonian, who became Whitbread's oldest champion when he won the singles for the third and last time in 1983 at the age of 41 years and 141 days, competed at the All England championships every year from 1888 to 1927, by which time he was 85.

My favourite former champion, though, is that remarkable lady, Kitty Godfrey. Still fit and active at the age of 92, she was an active player until very recently and still rides her bicycle to the shops and drives her car.

It is a curious coincidence that Kitty's two titles, in 1924 and 1926, coincided precisely with the dual victories of Borotra the Bounding Basque. Having seen the great man in his prime, Kitty - alone of contemporary players - is probably not in the least surprised that he is still good enough at 91 to hit accurate passing shots beyond my reach.

In congratulating the world's oldest surviving champions for their indomitable competitive spirit, perhaps we can, through them, salute the veteran players of every era who have all revelled in the simple pleasure of hitting a small, fuzzy white ball across a net.

Beaten by Borotra — aged 91!

ACCORDING to my wife, humility is a quality I do not have. The truth of her assessment became apparent when I found myself partnering the past-chairman of the All England Club, Buzer Haddingham, against the 91-year-old legend of French tennis, Jean Borotra, and his middle-aged partner, Gerard Pilet, a former French Davis Cup player. The occasion was the annual autumn meeting between the International Clubs of Great Britain and France at Wimbledon, a fixture that began in 1929 and always includes a spring encounter in the historic Milton Road club.

I played Ken for the first time in 1954, in Brisbane. It was a first-round match on the fast turf of the centre court. My confidence was not helped when the public address announcer informed the public: "And the next match is between our Australian Davis Cup player, Ken Rosewall."

(cheers from the crowd) "and the No. 5 from Great Britain, Tom Barnett" (collapse of my travelling companions, Roger Becker and Reg Bennett, who were unable to continue with their practice out on a back court). After losing in four sets, I would have quite pleased to attribute the defeat to Tom.

Despite his 55 years, the Rosewall legend grows. Competing last year on the Grand Masters over-45 tour against the likes of Marty Riessen, Roy Emerson, Roger Taylor, Owen Davidson, Neale

and away, is alone a claim to immortality.

Another whose appetite to compete never seems to be satisfied is that ageless Australian, Ken Rosewall. I saw him in Brisbane the other day when, with his wife Wilma, a former Miss Queensland, he dropped in to watch the Australian women's hard court championships at the historic Milton Road club.

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Fraser, Ramanathan Krishnan and Mal Anderson - all of them considerably younger - Ken quietly took four of the titles with his peerless, well-grooved ground strokes and inch-perfect volleys to finish as champion. Not bad for a man who last competed on the men's Grand Prix circuit at the New South Wales Open in 1978.

Despite appearances, it all takes rather more effort these days. "It is more difficult to maintain concentration and the sight is not as sharp as it was," he admits. "Nor do I recover as fast as I used to. But I love to compete and, considering I don't train any more, I still hit the ball pretty well." His keen opponents would all say "amen" to that.

Veteran tennis is thriving world-wide. Interest is keenest in the United States, where thousands compete regularly in tournaments all over the country in age groups that start with the over-45s and include 55s, 60s, 65s, 70s, 75s - even the over-80s. The remarkable "Dodo" Cheney, now well over 70 and one of that group of wonderful post-war Americans which included Pauline Betz, Louise Brough, Margaret Osborne, Doris Hart, Shirley Fry, Pat Todd and Beverley Feltz, has collected more veterans' titles than any other living person.

In Australia, they are justifiably proud of Bob McCarthy, from Sydney, who won the world over-50s title last year. The country has a thriving veterans' community totalling 3,278 players (70 per cent of them men) affiliated to clubs in all seven states and the Capital Territory.

Queensland leads the way with 990 registered players - among them Anderson, the winner of the 1967 US championship.

He took the 1989 Australian over-45s title when it was played in Queensland but, like many of the former champions, is too involved in other business activities to travel around the world following the veterans' trail.

Some do, like former children's TV producer Allan Kendal. A nephew of that great 1930s' champion, Jack Crawford, Kendal is found but rarely at his Sydney apartment, so keen is he to make the most of an early retirement to depict his unusual game against fellow enthusiasts.

It is men and women like Kendal who make up the bulk of the international veterans' community. In their youth, most of them were good players who never rose to the top. Self-made men, they can afford the considerable travel and living expenses and enjoy the camaraderie and the competition.

The Veterans' Association of Great Britain, affiliated to the LTA, was formed in 1975 for men only. In that first year, an over-45 championship attracted a modest entry of 38. Four years later, a women's championship for over-45s was added, but only a handful of players entered. By 1988, though, the British veterans' championships, played on grass at Wimbleton in August, had grown to five events for men (45s, 55s, 60s, 65s and 70s), and two for women (40s and 50s).

More than 1,000 entry forms were distributed to players who had competed in previous years and to newcomers, and 125 men entered the 45s' draw. In the past two years, there has also been an indoor championship played during the winter.

Several of Britain's former top-ranked players are competing again. Roger Taylor is the present indoor and outdoor 45s' champion; Shirley Braisher has been a keen competitor for years with many titles to her name, including last year's 50s'; and

Geoff Patch won the indoor 50s' title in 1978. But lest any of these good folk get carried away with their success, they should remember the example set by Arthur Gore.

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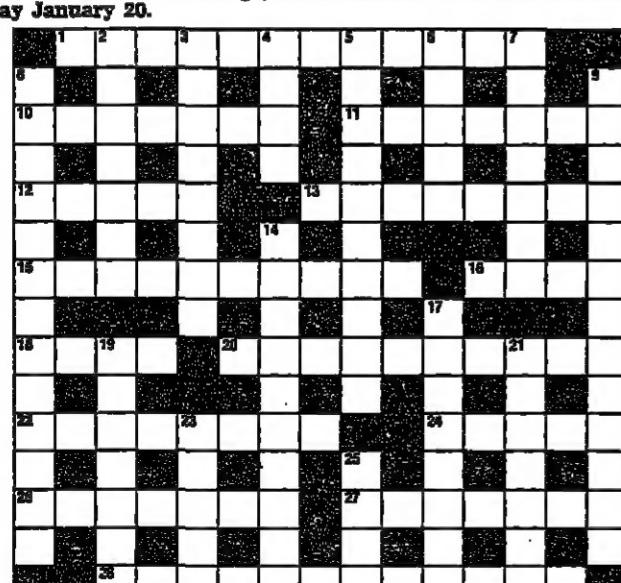
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CROSSWORD

No. 7,131 Set by DANTE

Prizes of £10 each for the first five correct solutions opened. Solutions to be received by Wednesday January 17, marked Crossword 7,131 on the envelope, to the Financial Times, Number One Southwark Bridge, London SE1 9HL. Solution on Saturday January 20.



Indicates programmes in black and white

BBC1

9am *Merry Tales*, 8.30pm *The New Adventures of Mighty Mouse*, 8.30pm *Chucklevision*, 9pm *Thundercats*, 10pm *Going Live* 12.30pm

10am *Grandstand*, featuring 1989 Football, 12pm *Racing at Newmarket Park*, 12.30pm *News*, 1pm *Grand National*, 1.30pm *Grand National Show*, 1.45pm *Immaculate*, 1.50pm *Racing*; 1.55pm *1989 Grand Prix*, 2pm *Motor Sport*, 2.30pm *Cyclo Cross* (Fallowfield National Championships), 3pm *From Station Park*, Birmingham; 3.30pm *Football*, 4pm *News*

3.30pm *ITV News*, 4pm *ITV News*, 4.30pm *ITV News*, 5pm *ITV News*, 5.30pm *ITV News*, 6pm *ITV News*, 6.30pm *ITV News*, 7pm *ITV News*, 7.30pm *ITV News*, 8pm *ITV News*, 8.30pm *ITV News*, 9pm *ITV News*, 9.30pm *ITV News*, 10pm *ITV News*, 10.30pm *ITV News*, 11pm *ITV News*, 11.30pm *ITV News*, 12.30am *ITV News*

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